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OREGON LABOR TRENDS

OCTOBER 1989

State of Oregon • Employment Division • Department of Human Resources

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)		
Sept.	1989	5.2
Aug.	1989	5.1
Sept.	1988	5.8

United States (Seas. Adj.)		
Sept.	1989	5.3
Aug.	1989	5.2
Sept.	1988	5.4

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)		
Sept.	1989	128.0
Aug.	1989	127.8
July	1989	127.5
June	1989	127.2
May	1989	127.0

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
Aug.	1989	$10.61
July	1989	$10.96
Aug.	1988	$10.39

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Aug.	1989	39.7
July	1989	38.6
Aug.	1988	38.6

CONSUMER PRICE INDEX (CPI)
1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
Jan.-June 1989	119.3
Yearly change	5.0%
Annual Average 1988	114.7
Yearly change	3.4%
United States	
Sept. 1989	125.0
Yearly change	4.3%
Annual Average 1988	118.3
Yearly change	4.1%

Portland Hotline 221-4132

NATURAL RATE OF UNEMPLOYMENT

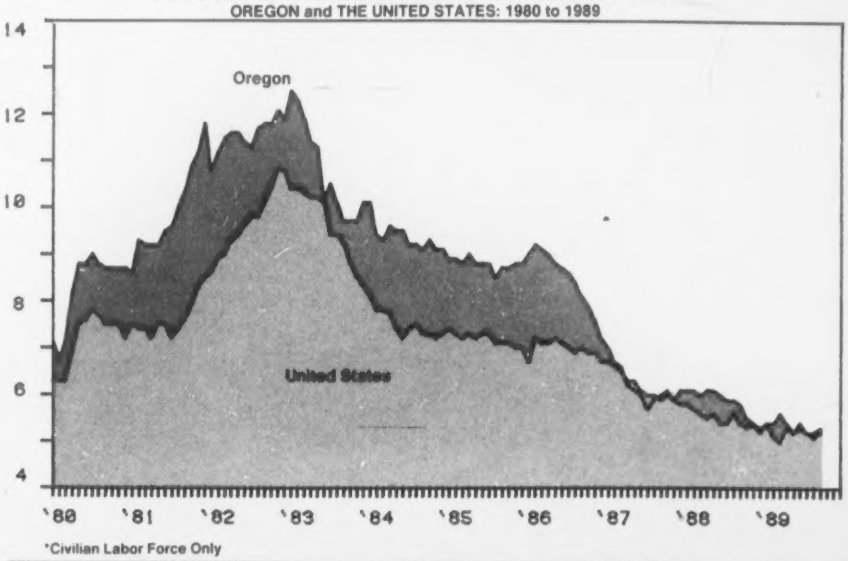
David Cooke

Oregon's unemployment rate rose slightly in September to 5.2%. The rate mimicked the national rate, as both rose a nominal 0.1% over the month. In Oregon, 66,700 people were unemployed, the fewest in any September since 1978. Oregon business owners are feeling the effects of these low unemployment rates every day, especially in the metropolitan areas, as many are having a tough time finding enough qualified workers. One sign of just how tight the labor market is becoming is found in the newspaper help wanted advertisements. *The Oregonian* now devotes a separate section of its Sunday newspaper to employment. An accompanying graph shows the number of pages of help wanted ads in *The Oregonian* for comparable September Sundays since 1976. No wonder the state's major print news source has reserved "Section J" for employment only.

Another source of information concerning the demand for workers is the volume of job openings received by the Employment Division. A second graph shows that the number of nonfarm job openings unfilled for 30 days or more increased substantially in late 1987. Although the current number of unfilled job openings (30 days or more) listed with the Division is slightly lower than at the same time last year, it is still at a relatively high level compared with previous years.

Oregon's seasonally adjusted unemployment rate has been below 6% since July of last year, while the labor force has continued to expand. This month, nonfarm wage & salary employment increased by 12,400 which was a seasonally adjusted employment increase of 2,400 (seasonal factors, mainly the reopening of schools, would typically account for 10,000 of the increase). The wage & salary employment index, which is seasonally adjusted and gives a good comparative measure of employment growth over time, marched another step up the economic expansion hill. The index climbed 0.2 to 128.0 (1977=100), its highest level ever, and has increased at nearly the identical rate for the past five months.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1980 to 1989



*Civilian Labor Force Only

With such consistently low levels of unemployment and increasing total employment, should this current low level of unemployment be considered the natural rate of unemployment? The natural rate of unemployment is considered the rate at which labor and product markets are in balance. In such a labor market, upward and downward forces on prices and wages are also in balance. Economists who have studied national unemployment rates in depth generally concur that the natural rate of unemployment for the United States in the latter 1980s is near 6%. Below that rate, excess demand for labor creates additional inflationary pressures.

With high inflation comes the redistribution of wealth . . . and strong disincentives for making capital investments . . .

This leads to the question of what has been happening to prices and wages lately. The most common measure of price fluctuations is the Consumer Price Index for All Urban Consumers (CPI-U) which covers approximately 80% of the total population. The closest the CPI-U comes to measuring inflation in Oregon is the semiannual Portland-Vancouver index. Since the second half of 1986, each six month period of the Portland-Vancouver CPI-U has shown a higher inflation rate compared with the same period one year earlier: 0.5%, 1.7%, 3.3%, 3.4%, 3.6%, 5.0%. The most recent figure of 5.0% is for the first half of 1989. While 5.0% is only a moderate inflation rate compared with those in 1979 (13.6%) and 1980 (13.2%), the recent rise in the rate is still cause for concern. With high inflation comes the redistribution of wealth (away from those on fixed incomes, for example) and strong disincentives for making capital investments due to high interest rates and greater economic instability.

What lies ahead for inflation in the region? Perhaps the most methodologically sound forecasts come from the quarterly *Oregon Economic and Revenue Forecast* produced by the Office of Economic Analysis within the Oregon Executive Department. The September 1989 forecast predicts that inflation (CPI-U) in the Portland metropolitan area will average 4.6% in 1989 and will moderate to about 4.1% in both 1990 and 1991 as the overall Oregon economy slows.

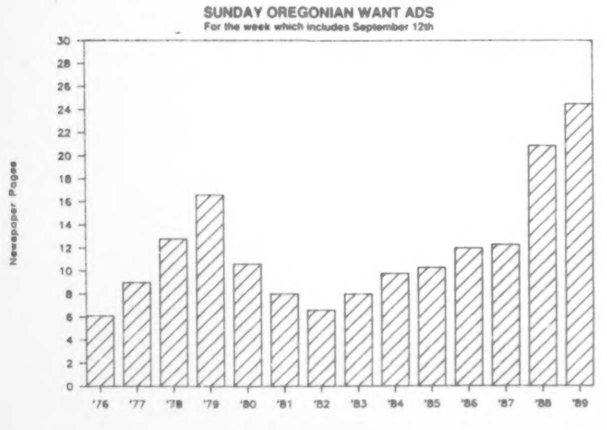
While inflation has been on the rise and is predicted by some to moderate in the next couple of years, the average annual pay of Oregonians, overall, has kept up with inflation during most of this economic recovery. In 1985, the average annual pay of all workers covered by Oregon unemployment insurance was $17,850. The latest available figure, the 1988 annual average, is well over $19,000 per year ($19,637). In three of the last four years, the average annual pay of covered Oregon workers has increased more than inflation as measured by the Portland CPI-U. Keep in mind that these payroll figures do not include medical benefits and other insurance, the cost of which has been outpacing inflation.

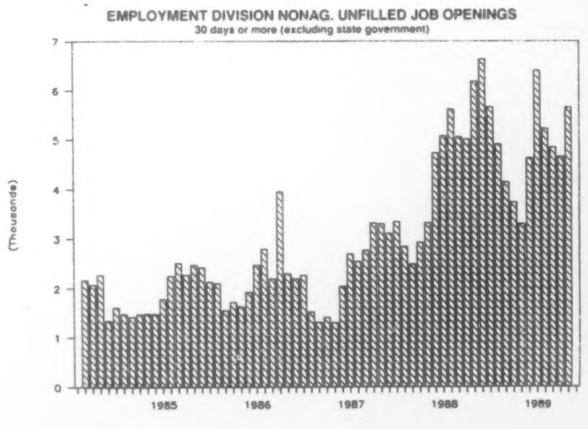
While the average pay of all covered workers after adjustment for inflation has increased in the last three years, another commonly viewed statistical series has shown real earnings declines. This series is the average weekly earnings of manufacturing production workers. In 1985, the annual average weekly pay for manufacturing production workers was $406; the comparable figure for 1988 was $419. This is an average of only 1.0% increase per year. These wages, as discussed in previous issues of **Oregon Labor Trends**, have not kept up with inflation. So, while workers in certain sectors of the economy (as well as certain regions of the state) have seen their real earnings decline, overall pay for Oregon workers has increased faster than inflation in the last few years.

With the preceding discussion of economic trends in mind, the question of whether we are in the midst of a natural rate of unemployment can now be answered. It seems that Oregon may have just passed through such a period. In early and mid-1988 when unemployment was close to 6% and inflation was stable and close to 3%, the upward and downward forces of demand and supply on the labor force were as close to equilibrium as they are likely to get. Now, in late 1989, as shortages of various classes of workers are evident in metropolitan areas, inflationary wage pressures may begin to build. Although local inflation is largely affected by factors outside the statewide economy, some factors within Oregon such as labor shortages and minimum wage hikes are pointing to higher inflation. A telling indication of how much upward pressure has been building on wages will be the outcome of the machinists' strike at Boeing, the largest private employer in the Northwest.

Employment Highlights

Turning to specific events in the economy for September brings us to the current employment statistics. Most





RESIDENT OREGON LABOR FORCE

	SEP.[1] 1989	AUG.[2] 1989	CHANGE	%CHANGE	SEP.[5] 1988
CIVILIAN LABOR FORCE[3]	1,420,000	1,452,800	-32,800	-2.3	1,411,400
UNEMPLOYMENT	66,700	69,000	-2,300	-3.3	73,900
PERCENT OF LABOR FORCE	4.7	4.7	XXX	XXX	5.2
SEASONALLY ADJUSTED PERCENT	5.2	5.1	XXX	XXX	5.8
TOTAL EMPLOYMENT[4]	1,353,300	1,383,800	-30,500	-2.2	1,337,500

[1] *Preliminary.*

[2] *Revised.*

[3] *Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.*

[4] *Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.*

[5] *Due to revised estimating procedures between December 1988 and January 1989, data for 1989 and that of previous years are not strictly comparable.*

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	SEP.[1] 1989	AUG.[2] 1989	SEP. 1988	AUG. 1989	SEP. 1988
TOTAL[3]	1,215,100	1,202,700	1,174,200	12,400	40,900
WAGE & SALARY EMPLOYMENT INDEX[4]	128.0	127.8	123.7	XXX	XXX
TOTAL MANUFACTURING	227,400	229,500	222,400	-2,100	5,000
DURABLE GOODS	161,500	162,300	158,000	-800	3,500
LUMBER & WOOD PRODUCTS	68,900	69,600	68,600	-700	300
LOGGING & SAWMILLS	35,200	35,600	34,000	-400	1,200
VENEER & PLYWOOD	16,300	16,500	17,500	-200	-1,200
MILLWORK & STRUCTURAL WOOD	10,900	11,000	10,700	-100	200
MOBILE HOMES	1,900	1,900	1,800	0	100
OTHER WOOD PRODUCTS	4,600	4,600	4,600	0	0
FURNITURE AND FIXTURES	2,900	2,900	2,700	0	200
STONE, CLAY, GLASS & CONCRETE	4,600	4,700	4,500	-100	100
PRIMARY METALS	11,500	11,400	10,300	100	1,200
BLAST FURNACES, IRON & STEEL	6,900	6,800	6,000	100	900
NONFERROUS METALS	4,600	4,600	4,300	0	300
FABRICATED METALS	11,000	11,000	11,400	0	-400
FABRICATED STRUCTURAL METALS	4,600	4,600	4,800	0	-200
OTHER FABRICATED METALS	6,400	6,400	6,600	0	-200
MACHINERY	18,800	18,900	17,400	-100	1,400
ELECTRICAL EQUIPMENT & SUPPLIES	17,300	17,200	15,800	100	1,500
TRANSPORTATION EQUIPMENT	11,600	11,500	11,700	100	-100
INSTRUMENTS & RELATED PRODUCTS	11,200	11,300	11,800	-100	-600
MISCELLANEOUS MANUFACTURING	3,700	3,800	3,800	-100	-100
NONDURABLE GOODS	65,900	67,200	64,400	-1,300	1,500
FOOD & KINDRED PRODUCTS	29,900	31,200	29,800	-1,300	100
CANNING & PRESERVING	18,100	19,400	18,500	-1,300	-400
OTHER FOOD PRODUCTS	11,800	11,800	11,300	0	500
TEXTILE MILL PRODUCTS	1,700	1,700	1,800	0	-100
APPAREL	2,600	2,600	2,800	0	-200
PAPER & ALLIED PRODUCTS	9,200	9,400	8,500	-200	700
PRINTING & PUBLISHING	13,900	13,800	13,500	100	400
CHEMICALS & ALLIED PRODUCTS	2,400	2,400	2,300	0	100
PETROLEUM REFINING	600	600	600	0	0
RUBBER & PLASTIC PRODUCTS	5,000	5,000	4,600	0	400
LEATHER PRODUCTS	600	500	500	100	100
TOTAL NONMANUFACTURING	987,700	973,200	951,800	14,500	35,900
MINING & QUARRYING	1,700	1,700	1,400	0	300
CONSTRUCTION	47,200	47,000	42,900	200	4,300
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	64,700	63,800	61,500	900	3,200
TRANSPORTATION	42,800	41,800	40,000	1,000	2,800
RAILROAD	3,800	3,900	3,900	-100	-100
TRUCKING & WAREHOUSING	23,800	23,500	22,000	300	1,800
OTHER TRANSPORTATION	15,200	14,400	14,100	800	1,100
COMMUNICATIONS	13,000	13,000	12,700	0	300
UTILITIES	8,900	9,000	8,800	-100	100
TRADE	313,200	312,400	299,300	800	13,900
WHOLESALE TRADE	79,600	79,800	74,100	-200	5,500
DURABLE GOODS	46,000	46,400	43,000	-400	3,000
NONDURABLE GOODS	33,600	33,400	31,100	200	2,500
RETAIL TRADE	233,600	232,600	225,200	1,000	8,400
GENERAL MERCHANDISE	29,800	29,000	28,500	800	1,300
FOOD STORES	39,500	40,200	38,000	-700	1,500
AUTO DEALERS & SERVICE STATIONS	28,600	28,600	28,800	0	-200
OTHER RETAIL TRADE	135,700	134,800	129,900	900	5,800
FINANCE, INSURANCE, & REAL ESTATE	75,600	76,400	74,800	-800	800
BANKING & CREDIT AGENCIES	23,600	23,600	23,700	0	-100
OTHER FINANCE, INSURANCE, & REAL ESTATE	52,000	52,800	51,100	-800	900
SERVICES	276,500	274,300	267,100	2,200	9,400
HOTELS & PERSONAL SERVICES	28,800	29,600	28,700	-800	100
HEALTH SERVICES	84,700	84,600	78,500	100	6,200
OTHER SERVICES	163,000	160,100	159,900	2,900	3,100
GOVERNMENT	208,800	197,600	204,800	11,200	4,000
FEDERAL GOVERNMENT	32,800	33,000	32,900	-200	-100
STATE GOVERNMENT	56,000	56,600	55,800	-600	200
EDUCATION	20,200	20,100	19,800	100	400
OTHER STATE	35,800	36,500	36,000	-700	-200
LOCAL GOVERNMENT	120,000	108,000	116,100	12,000	3,900
EDUCATION	71,800	58,400	69,500	13,400	2,300
OTHER LOCAL	48,200	49,600	46,600	-1,400	1,600
LABOR – MANAGEMENT DISPUTES	400	300	1,100	100	-700

[1] *Preliminary.*

[2] *Revised.*

[3] *Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*

[4] *Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

manufacturing industries recorded a quiet month with employment changing by 100 or less. Notable exceptions were lumber & wood products (-700) and food & kindred products (-1,300).

In the lumber industry, both sawmills & planing mills (-400) and veneer and plywood (-200) recorded unseasonal declines. Based on data available for the first nine months of the year, annual average lumber & wood products employment is expected to drop 2.6% from 1988 to 1989. This means that a combined total of nearly 1,800 jobs will be lost in logging, sawmills, and veneer & plywood. Mill closures and cutbacks will account for most of this decline.

The drop in food & kindred products employment over the month came totally from preserved fruits and vegetables and was entirely predictable based on recent years' experience of the harvesting and processing cycle.

Turning to construction, an industry which is experiencing good times not known since the late 1970s, employment continues to expand. In September, 200 additional workers were employed by Oregon construction firms. The growth centered on heavy construction general contractors. Several firms in related special trades such as structural steel erection and building equipment installation also added employees.

Local education (+13,400) showed a better than expected increase. One reason for this was that 36 local school districts began offering kindergarten classes for the first time this fall. Retail trade (+1,000) continues to grow, mainly due to a number of new stores opening throughout the state. Business services, which has contributed one of the largest net employment increases in the 1980s, boosted employment again, this month by 1,200. Employment agencies and temporary help suppliers were particularly strong in September. In other sectors of the service economy, private education provided a large seasonal increase, while hotels and lodging places (-800) began their usual post-tourist season decline.

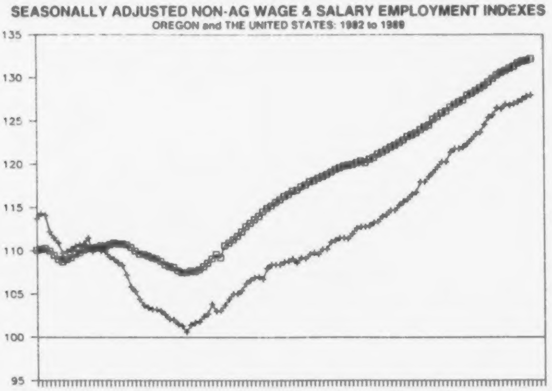
The September gains in non-agricultural wage & salary employment give a good indication of the continued strength of Oregon's economy. As a result of this strong economy, a change in the available supply of labor has taken place. Signs of low unemployment, unmet demand for qualified workers, and rising inflation combine to indicate that we may be at the end of an economic period which was characterized by the natural rate of unemployment. ☐

STATE OF OREGON UNEMPLOYMENT RATES BY AREA

September 1989

	Civilian Labor Force	Total Employment	Unemployment	Rate[1]
State of Oregon	1,420,000	1,353,300	66,700	4.7
Eugene MSA[2]	141,500	134,600	6,900	4.9
Medford MSA[3]	71,400	67,470	3,930	5.5
Portland PMSA[4]	644,800	618,200	26,600	4.1
Salem MSA[5]	134,600	128,700	5,900	4.4
Baker	6,860	6,540	320	4.7
Benton	34,950	33,880	1,070	3.1
Clatsop	17,870	16,830	1,040	5.8
Columbia	16,350	15,280	1,070	6.5
Coos	26,460	24,370	2,090	7.9
Crook	6,810	6,430	380	5.6
Curry	9,350	8,870	480	5.1
Deschutes	37,710	35,550	2,160	5.7
Douglas	43,890	41,180	2,710	6.2
Gilliam	880	860	20	2.3
Grant	4,260	4,090	170	4.0
Harney	4,200	3,930	270	6.4
Hood River	9,980	9,470	510	5.1
Jefferson	6,930	6,680	250	3.6
Josephine	25,920	24,310	1,610	6.2
Klamath	24,850	23,290	1,560	6.3
Lake	4,200	3,920	280	6.7
Lincoln	20,290	19,440	850	4.2
Linn	40,270	38,080	2,190	5.4
Malheur	16,440	15,830	610	3.7
Morrow	3,740	3,530	210	5.6
Sherman	730	700	30	4.1
Tillamook	8,950	8,470	480	5.4
Umatilla	30,580	28,820	1,760	5.8
Union	11,030	10,510	520	4.7
Wallowa	4,130	3,980	150	3.6
Wasco	9,430	8,880	550	5.8
Wheeler	580	550	30	5.2

[1] *Not Seasonally Adjusted*
[2] *Lane County*
[3] *Jackson County*
[4] *Clackamas, Multnomah, Washington, Yamhill counties*
[5] *Marion and Polk counties*



AVERAGE ANNUAL PAY BY STATE AND INDUSTRY, 1988

Jeff Hannum

The average annual pay of U.S. workers covered by state and federal unemployment insurance (UI) programs increased by 4.9% to $21,871 in 1988, according to preliminary data recently released by the Bureau of Labor Statistics of the U.S. Department of Labor.

> ***. . .workers in both the state and nation managed to keep a step ahead of inflation last year.***

Annual pay data are compiled from tax reports submitted by employers under UI programs covering 104 million full-time and part-time workers representing about 91% of total civilian employment. Average annual pay is computed by dividing total annual payrolls of employers covered by UI programs by the average monthly number of these employees. Included in the annual payroll data are bonuses, the cash value of meals and lodging when supplied, tips and other gratuities, and in many states including Oregon, employer contributions to certain deferred compensation plans such as 401(K) plans. Monthly employment is based on the number of workers earning wages during the pay period including the 12th of the month. With few exceptions, all employees of covered firms are reported including production and sales workers, corporation officials, executives, supervisory personnel, professional/technical, and clerical workers.

States

Average annual pay increased in all 50 states and the District of Columbia between 1987 and 1988, as the nation's record-breaking economic expansion surpassed the six year duration mark. Although Oregon's rate of increase in average pay (4.0%) continued to lag behind the U.S. rate (4.9%), workers in both the state and nation managed to keep a step ahead of inflation last year. As measured by the Consumer Price Index for All Urban Consumers (CPI-U), prices rose by 3.4% in the Portland metropolitan area and by 4.1% nationally between 1987 and 1988.

In fact, Oregon enjoyed the best of two worlds in 1988. Not only did real annual pay improve, but also more

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Aug.[2] 1989	July[3] 1989	Aug. 1988	Aug.[2] 1989	July[3] 1989	Aug. 1988	Aug.[2] 1989	July[3] 1989	Aug. 1988
TOTAL MANUFACTURING[4]	$421.22	$423.06	$401.05	39.7	38.6	38.6	$10.61	$10.96	$10.39
Durable Goods	436.80	430.95	413.02	40.0	39.0	38.6	10.92	11.05	10.70
Lumber & Wood Products	438.90	420.71	405.79	39.9	37.8	37.4	11.00	11.13	10.85
Logging & Sawmills	475.88	449.75	429.95	40.5	37.2	36.1	11.75	12.09	11.91
Veneer & Plywood	420.81	412.40	400.81	39.0	37.8	38.1	10.79	10.91	10.52
Millwork & Structural	368.93	363.37	350.88	39.5	39.8	40.1	9.34	9.13	8.75
Mobile Homes	345.98	307.44	336.08	38.7	34.7	39.4	8.94	8.86	8.53
Other Wood Products	420.33	410.41	388.88	40.3	39.5	37.5	10.43	10.39	10.37
Furniture & Fixtures	366.11	347.87	327.22	37.9	35.9	37.1	9.66	9.69	8.82
Primary Metals	494.16	500.22	504.71	42.2	42.0	42.2	11.71	11.91	11.96
Fabricated Metals	392.89	401.88	383.20	38.9	39.4	40.0	10.10	10.20	9.58
Machinery (Ex Electrical)	434.51	441.94	422.28	39.9	39.6	39.1	10.89	11.16	10.80
Nondurable Goods	385.73	404.84	369.79	39.2	37.8	38.4	9.84	10.71	9.63
Food & Kindred Products	310.85	315.66	292.50	39.1	36.2	37.5	7.95	8.72	7.80
Canning & Preserving	269.70	256.13	248.64	39.2	34.8	37.0	6.88	7.36	6.72
Other Food Products	409.23	420.98	399.77	38.9	38.8	38.7	10.52	10.85	10.33
Textile Mill Products	206.54	236.57	225.40	31.2	33.7	34.1	6.62	7.02	6.61
Apparel	266.78	221.05	238.23	39.7	33.8	38.3	6.72	6.54	6.22
Paper & Allied Products	610.90	664.28	608.58	41.0	41.7	42.0	14.90	15.93	14.49
Printing & Publishing	471.13	478.04	457.59	37.6	37.7	37.6	12.53	12.68	12.17
Construction[4]	551.07	555.05	537.04	37.9	38.2	37.9	14.54	14.53	14.17
Communications & Utilities[5]	546.48	552.24	529.42	41.4	41.9	41.2	13.20	13.18	12.85
Trade[5]	319.06	332.01	[illegible]	35.1	35.7	34.2	9.09	9.30	8.80
Wholesale Trade	407.69	439.27	[illegible]	37.3	38.6	36.7	10.93	11.38	10.79
Retail Trade	270.74	274.85	253.11	33.8	34.1	33.0	8.01	8.06	7.67
Banking & Insurance[5]	348.56	372.48	322.20	37.2	38.8	36.0	9.37	9.60	8.95
State & Local Government	420.20	424.97	400.69						

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[1] Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

[2] Preliminary

[3] Revised

[4] Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

[5] Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

Oregonians were working than ever before. The state's annual average unemployment rate declined nearly half a point to 5.8%, its lowest level since the late 1960s. In addition, Oregon experienced the third fastest rate of growth in nonfarm employment of all the states last year. It was probably this fact, along with our lower inflation rate, which primarily caused Oregon's smaller rate of increase in average annual pay. This is because new workers are typically hired at entry level rates of pay which tends to lower average pay levels.

Based on earnings per worker in 1988, the difference among states is dramatic! Workers in the District of Columbia ($30,254) and Alaska ($28,033) are at the top of the heap with average earnings 38% and 28% above the U.S. average. Workers in South Dakota remain in last place with average earnings of only $15,424, or 29% below the national average. Oregon was again near the middle of the pack at $19,637, slipping to 10% below the U.S.

Industry

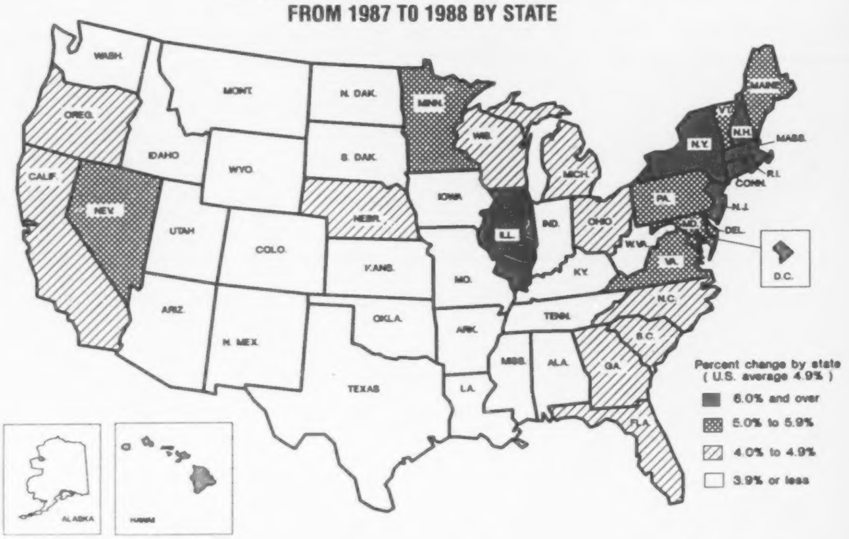
Average annual pay varies widely by industry. In Oregon, the highest paid workers in 1988 by major industry category were employed in transportation, communications, and public utilities ($26,462). Perhaps due to these high earnings, these workers also had the smallest rate of pay increase (2.8%) of any major industry group, and were the only ones losing ground to inflation.

Retail trade workers, many of whom work only part-time, earned the lowest average annual pay in 1988 ($11,439). This industry continued to grow rapidly and accounted for about one-fifth of all new jobs added in Oregon last year.

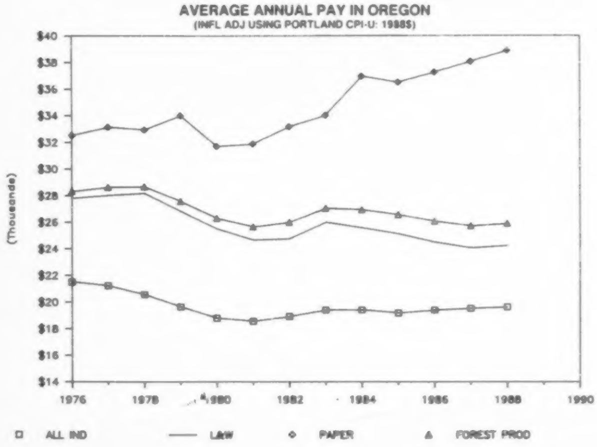
Annual Pay By Industry

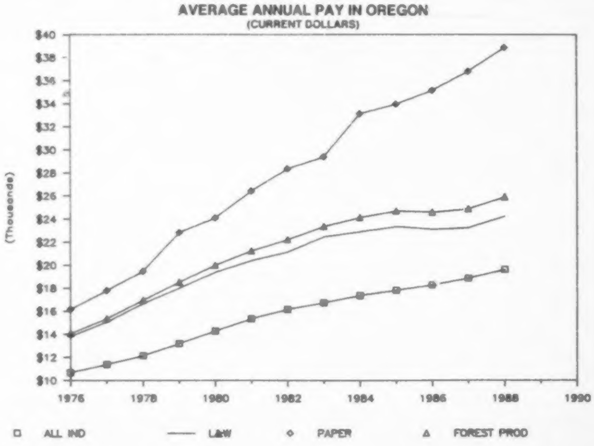
	1988	1987-88 Percent Change
Mining	$25,547	4.5
Construction	$22,728	5.8
Manufacturing	$25,039	3.8
Transp., Comm. & Util.	$26,462	2.8
Wholesale trade	$25,286	6.2
Retail trade	$11,439	4.1
Fin., Ins. & R.E.	$21,970	6.2
Services	$17,046	4.3
Government	$21,894	3.7

PERCENT CHANGE IN AVERAGE ANNUAL PAY FROM 1987 TO 1988 BY STATE


WASH.
OREG.
CALIF.
IDAHO
NEV.
MONT.
WYO.
UTAH
ARIZ.
COLO.
N. MEX.
N. DAK.
S. DAK.
NEBR.
KANS.
OKLA.
TEXAS
MINN.
IOWA
MO.
ARK.
LA.
WIS.
ILL.
MISS.
MICH.
IND.
KY.
TENN.
ALA.
OHIO
W.VA.
VA.
N.C.
S.C.
GA.
FLA.
PA.
N.Y.
VT.
N.H.
MAINE
MASS.
R.I.
CONN.
N.J.
DEL.
MD.
D.C.
ALASKA
HAWAII
Percent change by state (U.S. average 4.9%)
6.0% and over
5.0% to 5.9%
4.0% to 4.9%
3.9% or less

When we look at average levels and average rates of change for major industry categories, however, we usually obscure significant differences among component industries in any given year as well as trends over a longer time span. A good example is Oregon's most important manufacturing industry, forest products, defined here simply as lumber and wood plus paper and allied products. In 1988, average annual pay of forest products work-





ers ($25,915) was just a little higher than the average for all manufacturing workers ($25,039). Almost 90% of forest products employees, however, work in lumber and wood products where annual pay averaged $24,265 last year. The remaining 10% worked in the very capital-intensive paper industry where annual earnings per employee ($38,886) were 60% higher! The paper industry's higher wage rates plus a greater amount of overtime hours worked at premium pay were major reasons for the difference.

Now let's change our perspective from looking just at 1988 and focus instead on the annual earnings trend over the past decade. Again, we see dramatic differences within the forest products sector, especially when the earnings data are adjusted for inflation using the Portland area CPI-U. Between 1979 and 1988, forest products workers lost an average of $1,688 (-6.1%) in real purchasing power. For the vast majority of these workers, i.e. those employed in lumber and wood products, the real earnings decline was even more dramatic (-$2,570, or -9.6%). Paper industry workers fared much better experiencing a 14.3% gain ($4,872) in real purchasing power since 1979. These earnings trends, in both current and constant 1988 dollars, from the mid-1970s through 1988 are shown in two accompanying graphs.

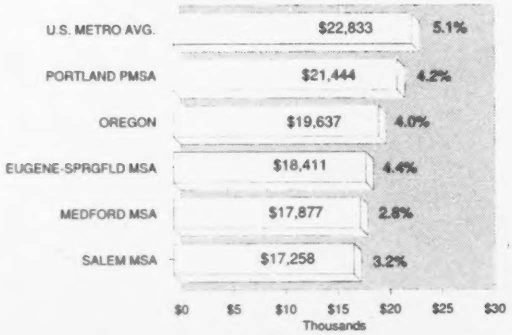
Metropolitan Areas

With the preceding caveats in mind regarding averages for such large industry categories or even geographical areas, the "average" worker covered by unemployment insurance in the nation's 318 metropolitan areas earned $22,833 in 1988, an increase of 5.1% over 1987. This was the largest annual percentage gain for these metropolitan areas since 1982. Annual pay in all four of Oregon's metropolitan areas was well below the U.S. average. This can be due to a number of factors including:

- the ratios of full-time to part-time workers
- the mix of industries and occupations.
- the extent of unionization
- the rate of inflation and economic growth in each local area
- the extent of unemployment insurance coverage in Oregon versus other states. (UI coverage is very broad and basically comparable from state to state. Last year, 91% of total civilian employment in the U.S. was under UI coverage.) ☐

AVERAGE ANNUAL PAY IN 1988

	1988	1987-88 % Change	% of U.S.
District of Columbia	$30,254	6.2	138
Alaska	28,033	0.1	128
New York	26,347	7.0	120
Connecticut	26,244	7.9	120
New Jersey	25,748	8.0	118
Michigan	24,193	4.8	111
Massachusetts	24,143	7.4	110
California	24,124	4.4	110
Illinois	23,606	6.1	108
Maryland	22,500	5.5	103
Delaware	21,977	5.8	100
United States	21,871	4.9	100
Ohio	21,500	4.5	98
Pennsylvannia	21,485	5.3	98
Minnesota	21,481	5.0	98
Colorado	21,472	3.1	98
Texas	21,130	3.3	97
Virginia	21,052	5.5	96
Washington	20,806	3.5	95
New Hampshire	20,749	6.9	95
Nevada	20,556	5.3	94
Georgia	20,501	4.3	94
Hawaii	20,444	7.1	93
Indiana	20,437	3.8	93
Arizona	20,383	3.9	93
Missouri	20,295	3.5	93
Rhode Island	20,206	7.1	92
Wisconsin	19,743	4.5	90
Oregon	19,637	4.0	90
Florida	19,520	4.5	89
West Virginia	19,341	2.8	88
Louisiana	19,330	3.3	88
Tennessee	19,209	3.8	88
Oklahoma	19,098	2.6	87
Wyoming	19,097	1.5	87
Kansas	19,030	3.3	87
Alabama	19,003	3.7	87
Utah	18,910	3.3	86
Vermont	18,640	5.3	85
North Carolina	18,637	4.3	85
Kentucky	18,545	3.0	85
Maine	18,347	5.2	84
New Mexico	18,259	2.8	83
South Carolina	18,009	4.2	82
Iowa	17,928	3.7	82
Idaho	17,648	3.4	81
Nebraska	17,190	4.0	79
Arkansas	17,023	3.0	78
Montana	16,957	3.2	78
Mississippi	16,522	3.7	76
North Dakota	16,508	2.2	75
South Dakota	15,424	3.1	71


ANNUAL AVERAGE PAY IN 1988

(With 1987- 1988 Percent Change)

EMPLOYMENT DIVISION GETS NEW LEADER!

(Editor's note: On October 13, 1989, the Director of Oregon's Department of Human Resources issued the following press release.)

Oregon Human Resources Director Kevin Concannon today named 36 year old **Pamela A. Mattson** of Lincoln, Nebraska to head the Department's Employment Division. On November 6, 1989, Mattson will become the first woman to head the Oregon government division.

"Pam Mattson's experience, knowledge, and leadership will be invaluable," said Concannon, "as we tackle the human investment issues of the 1990s."

Mattson has served since 1984 as Director of the Nebraska Job Service. She appeared, with five other finalists, before several interview panels in Oregon two weeks ago. Each group, noted Concannon, ranked Mattson the number one candidate.

"I look forward to the opportunity of working with the employees of the Oregon Employment Division," said Mattson. "We will concentrate on playing an integral and innovative role in Oregon's economic development."

Mattson obtained her undergraduate degree in Elementary and Special Education from the University of Wyoming in 1975. She earned her law degree from the University of Nebraska in 1979. She was President of her freshman law class and student body president in 1977-78. Mattson was in private law practice until 1980 when she joined the Nebraska Department of Labor.

"In some 70 days," said Concannon, "we'll advance to the decade of the 1990s. Pam Mattson brings the values and intellect that government needs to respond to the social concerns of the era." ☐

> ***" In some 70 days, we'll advance to the decade of the 1990's. Pam Mattson brings the values and intellect that government needs to respond to the social concerns of the era."***

LMI DIRECTORY NOW AVAILABLE

Where can you find the average wage of an occupation in Oregon? What educational information is available to help improve your career choices? What is the economic and employment outlook for the state of Oregon and its regional areas? This information and much more is available at no charge in the updated Labor Market Information (LMI) Directory.

The LMI Directory lists various publications available containing many types of state and local information. From population and labor trends to wage information and youth reports, the Directory can tell you where to write and/or who to call to get what you want. The LMI Directory also tells you who to contact for special research and information services that may not be currently available.

Don't miss this valuable information guide. Request your copy by calling Research and Statistics at (503) 378-8657 or by writing to:

OREGON EMPLOYMENT DIVISION
Research and Statistics - Rm 207
875 Union Street N.E.
Salem, OR 97311

LMI LABOR MARKET INFORMATION

STATE OF OREGON

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OREGON LABOR TRENDS

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INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Oct.	1989	5.3
Sept.	1989	5.2
Oct.	1988	5.5

United States (Seas. Adj.)

Oct.	1989	5.3
Sept.	1989	5.3
Oct.	1988	5.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

Oct.	1989	128.4
Sept.	1989	128.0
Aug.	1989	127.8
July	1989	127.5
June	1989	127.2

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Sept.	1989	$10.91
Aug.	1989	$10.61
Sept.	1988	$10.45

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Sept.	1989	39.5
Aug.	1989	39.7
Sept.	1988	39.6

CONSUMER PRICE INDEX (CPI)
1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
Jan.-June 1989	119.3
Yearly change	5.0%
Annual Average 1988	114.7
Yearly change	3.4%
United States	
Oct. 1989	125.6
Yearly change	4.5%
Annual Average 1988	118.3
Yearly change	4.1%

Portland Hotline 221-4132

HOUSING STARTS AND CONSTRUCTION BOOM

Linda Burgin

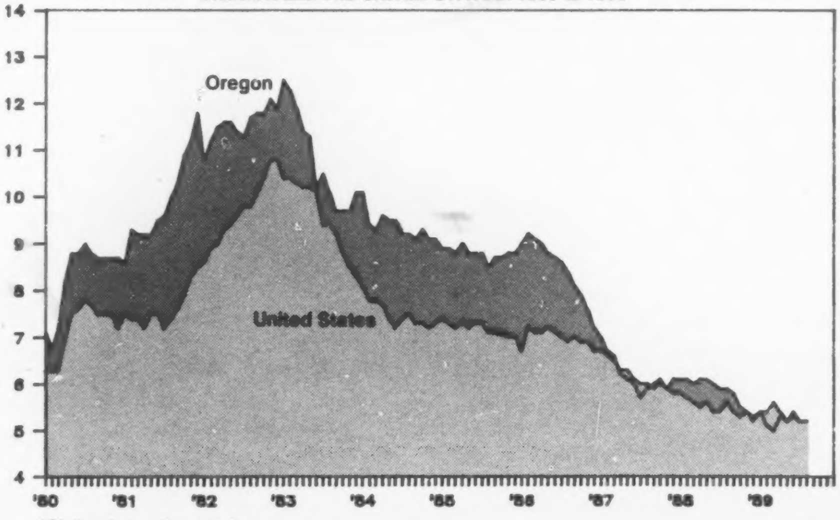
October was an interesting, eventful month. The nation weathered a stock market sell-off; San Francisco experienced a major earthquake; the largest employer (Boeing) in the Northwest was hit by a machinists' strike; and a Congressional compromise was negotiated concerning the volume of Federal timber sales in the Northwest, at least through September 1990.

Oregon's seasonally adjusted unemployment rate in October was 5.3 percent, up one tenth from September's rate. The U.S. unemployment rate was also 5.3 percent, unchanged from the previous month. There were 64,900 unemployed Oregonians in October, the lowest number unemployed in October since 1978. This was 2,600 fewer unemployed than one year ago. The Oregon nonfarm wage and salary employment index (1977=100) reached a new high of 128.4. We can interpret this to mean that Oregon now has 28.4 percent more jobs than in 1977. October's index was 3.8 points (or 3.0 percent) higher than the index reported for October 1988.

Current employment statistics indicate that the number of nonfarm payroll jobs in Oregon jumped by 8,100, almost twice the increase expected. Education employment strongly increased as schools returned to full strength. In retail trade, several new stores across the state boosted general merchandise employment to 30,900 and food stores to 40,000. Services, hotels, amusements & recreation, and health services all lost fewer jobs than normal for this time of year.

Most manufacturing employment appeared stable in October with a few exceptions. One exception was food & kindred products, which lost 1,200 jobs as harvesting and processing activity slowed.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1980 to 1989



*Civilian Labor Force Only

LUMBER AND WOOD PRODUCTS

TIMBER HARVEST

Figures recently released by the Department of Forestry indicate that for both the National Forests and the state as a whole, 1988 was the second highest timber harvest level since 1973. In 1988, Oregon's timber harvest, in billions of board feet, was:

National Forests	3.5
BLM	1.4
State Lands	0.3
Forest Industry	2.7
Private Nonindustrial	0.6
Other	0.1
TOTAL	8.6

The 1988 Washington harvest totaled 7.0 billion board feet, with only 1.5 billion coming from National Forest land.

. . .1988 was the second highest timber harvest level since 1973.

CURRENT SITUATION

Logging employment has been suffering, as employment in October was at the lowest October level since 1982. Traditional mill employment has also declined in recent years. Combined employment in the two sectors of sawmills & planing mills and veneer & plywood was at its lowest October level since 1985. The three remaining sectors of lumber & wood products (millwork & structural wood; mobile homes; and other lumber & wood) combined for their highest October employment levels of the 1980s. Their gains, however, did not make up for the previously mentioned losses.

The Forest Service has about 5.1 billion board feet of timber under contract (sold, but not harvested) in the spotted owl forests of Washington and Oregon. BLM has about 1.2 billion. Overall, a little more than a one year supply is under contract with these public agencies on the owl forests. In the 1980s, a two to three year supply under contract has been more common.

Some timber firms have relatively little timber in the pipeline.

Some timber firms have relatively little timber in the pipeline. Willamette Industries, for instance, had about a one year supply of federal timber under contract in October, according to recent news reports.

CONGRESSIONAL COMPROMISE

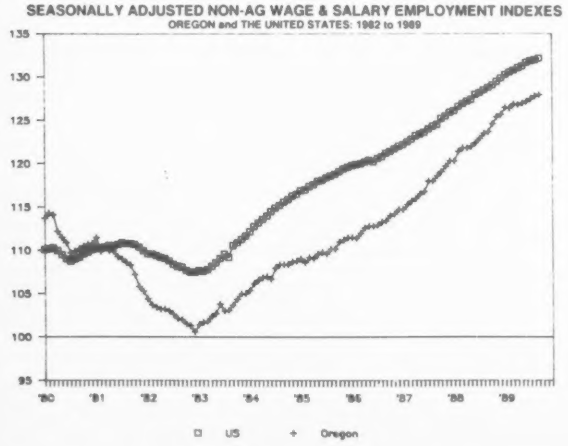
The compromise, known as the Hatfield-Adams Amendment or Section 318 of the Department of Interior and Related Agencies FY 1990 Appropriations Act, is designed to allow federal old growth timber to be harvested while attempting to maintain spotted owl habitat. The major provisions are:

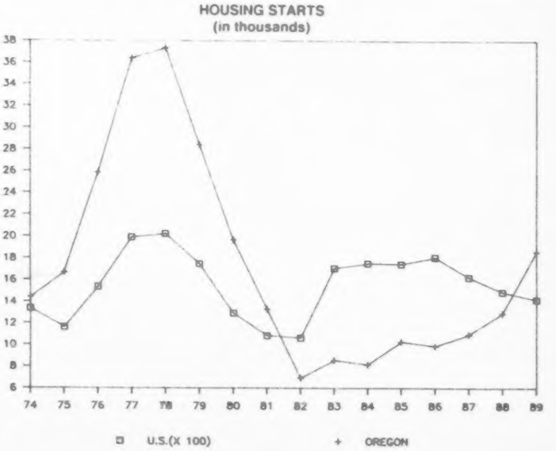
1. The Forest Service will offer for sale 7.7 billion board feet of Oregon and Washington sawtimber in federal fiscal years 1989 and 1990. As 1.9 billion has already been sold, an additional 5.8 billion must be offered for sale in the next year. Judge Dwyer's ruling had held 1.8 billion feet from the market in federal fiscal year 1989. To help meet the compromise sales level, 1.1 billion board feet of sawtimber will be released in federal fiscal year 1990, with the location of the sales to be selected by the environmentalists. The Amendment directs BLM to sell 1.9 billion board feet over the two year period, with 0.8 billion board feet already sold.
2. Court appeals of the sales will be expedited. Sales themselves should minimize fragmentation of old growth and avoid spotted owl habitat. The National Forest Plans, which will govern how the National Forests will be managed during the 1990s, are to be completed by September 30, 1990.

THE BOEING MACHINIST STRIKE

Employment plunged in the transportation equipment industry in October as approximately 1,700 Boeing machinists were on strike in the Portland area for most of the month.

According to Linda Richardson, Public Relations Manager for Boeing of Portland/Fabrication Division, the range of wage rates for machinists was between $8.88 and $18.50 per hour. Using Employment Division 1988 unemployment insurance tax data for SIC 3728 (Aircraft Parts and Auxiliary Equipment), we can estimate that the machinists were paid an average of $721 per


SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES
OREGON and THE UNITED STATES: 1982 to 1989


HOUSING STARTS
(in thousands)

RESIDENT OREGON LABOR FORCE

	OCT.[1] 1989	SEP.[2] 1989	CHANGE	%CHANGE	OCT.[5] 1988
CIVILIAN LABOR FORCE[3]	1,416,800	1,419,900	-3,100	-0.2	1,411,300
UNEMPLOYMENT	64,900	66,600	-1,700	-2.6	67,500
PERCENT OF LABOR FORCE	4.6	4.7	XXX	XXX	4.8
SEASONALLY ADJUSTED PERCENT	5.3	5.2	XXX	XXX	5.5
TOTAL EMPLOYMENT[4]	1,351,900	1,353,300	-1,400	-0.1	1,343,800

[1] *Preliminary.*
[2] *Revised.*
[3] *Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.*
[4] *Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.*
[5] *Due to revised estimating procedures between December 1988 and January 1989, data for 1989 and that of previous years are not strictly comparable.*

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	OCT.[1] 1989	SEP.[2] 1989	OCT. 1988	SEP. 1989	OCT. 1988
TOTAL[3]	1,223,500	1,215,400	1,187,200	8,100	36,300
WAGE & SALARY EMPLOYMENT INDEX[4]	128.4	128.0	124.6	XXX	XXX
TOTAL MANUFACTURING	222,400	226,800	220,600	-4,400	1,800
DURABLE GOODS	158,500	161,100	158,500	-2,600	0
LUMBER & WOOD PRODUCTS	68,100	68,900	69,900	-800	-1,800
LOGGING & SAWMILLS	34,700	35,100	36,300	-400	-1,600
VENEER & PLYWOOD	16,300	16,400	16,900	-100	-600
MILLWORK & STRUCTURAL WOOD	10,800	10,900	10,400	-100	400
MOBILE HOMES	1,800	1,900	1,800	-100	0
OTHER WOOD PRODUCTS	4,500	4,600	4,500	-100	0
FURNITURE AND FIXTURES	2,900	2,900	2,700	0	200
STONE, CLAY, GLASS & CONCRETE	4,700	4,600	4,500	100	200
PRIMARY METALS	11,500	11,400	10,400	100	1,100
BLAST FURNACES, IRON & STEEL	6,800	6,700	6,100	100	700
NONFERROUS METALS	4,700	4,700	4,300	0	400
FABRICATED METALS	10,900	10,900	11,500	0	-600
FABRICATED STRUCTURAL METALS	4,500	4,500	4,800	0	-300
OTHER FABRICATED METALS	6,400	6,400	6,700	0	-300
MACHINERY	18,600	18,700	17,500	-100	1,100
ELECTRICAL EQUIPMENT & SUPPLIES	17,300	17,200	15,700	100	1,600
TRANSPORTATION EQUIPMENT	9,700	11,600	10,800	-1,900	-1,100
INSTRUMENTS & RELATED PRODUCTS	11,000	11,200	11,700	-200	-700
MISCELLANEOUS MANUFACTURING	3,800	3,700	3,800	100	0
NONDURABLE GOODS	63,900	65,700	62,100	-1,800	1,800
FOOD & KINDRED PRODUCTS	28,500	29,700	28,000	-1,200	500
CANNING & PRESERVING	16,400	18,000	16,300	-1,600	100
OTHER FOOD PRODUCTS	12,100	11,700	11,700	400	400
TEXTILE MILL PRODUCTS	1,700	1,700	1,700	0	0
APPAREL	2,600	2,700	2,700	-100	-100
PAPER & ALLIED PRODUCTS	9,100	9,200	8,400	-100	700
PRINTING & PUBLISHING	13,800	13,900	13,500	-100	300
CHEMICALS & ALLIED PRODUCTS	2,300	2,400	2,200	-100	100
PETROLEUM REFINING	500	600	600	-100	-100
RUBBER & PLASTIC PRODUCTS	4,800	4,900	4,500	-100	300
LEATHER PRODUCTS	600	600	500	0	100
TOTAL NONMANUFACTURING	1,001,100	988,600	966,600	12,500	34,500
MINING & QUARRYING	1,700	1,700	1,500	0	200
CONSTRUCTION	46,900	47,100	42,700	-200	4,200
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	64,400	64,900	61,900	-500	2,500
TRANSPORTATION	42,600	43,000	40,500	-400	2,100
RAILROAD	3,900	3,900	4,000	0	-100
TRUCKING & WAREHOUSING	23,600	23,800	22,400	-200	1,200
OTHER TRANSPORTATION	15,100	15,300	14,100	-200	1,000
COMMUNICATIONS	12,900	13,000	12,700	-100	200
UTILITIES	8,900	8,900	8,700	0	200
TRADE	314,200	314,600	301,200	-400	13,000
WHOLESALE TRADE	79,800	79,900	74,400	-100	5,400
DURABLE GOODS	46,500	46,300	43,100	200	3,400
NONDURABLE GOODS	33,300	33,600	31,300	-300	2,000
RETAIL TRADE	234,400	234,700	226,800	-300	7,600
GENERAL MERCHANDISE	30,900	30,000	29,700	900	1,200
FOOD STORES	40,000	39,800	39,000	200	1,000
AUTO DEALERS & SERVICE STATIONS	28,300	28,700	28,500	-400	-200
OTHER RETAIL TRADE	135,200	136,200	129,600	-1,000	5,600
FINANCE, INSURANCE, & REAL ESTATE	75,200	75,600	74,200	-400	1,000
BANKING & CREDIT AGENCIES	23,400	23,600	23,500	-200	-100
OTHER FINANCE, INSURANCE, & REAL ESTATE	51,800	52,000	50,700	-200	1,100
SERVICES	278,300	277,600	267,600	700	10,700
HOTELS & PERSONAL SERVICES	28,400	28,800	27,800	-400	600
HEALTH SERVICES	84,600	84,700	79,000	-100	5,600
OTHER SERVICES	165,300	164,100	160,800	1,200	4,500
GOVERNMENT	220,400	207,100	217,500	13,300	2,900
FEDERAL GOVERNMENT	32,400	33,000	32,700	-600	-300
STATE GOVERNMENT	60,100	55,400	60,200	4,700	-100
EDUCATION	25,800	20,100	25,200	5,700	600
OTHER STATE	34,300	35,300	35,000	-1,000	-700
LOCAL GOVERNMENT	127,900	118,700	124,600	9,200	3,300
EDUCATION	80,900	70,600	78,900	10,300	2,000
OTHER LOCAL	47,000	48,100	45,700	-1,100	1,300
LABOR – MANAGEMENT DISPUTES	2,000	400	800	1,600	1,200

[1] *Preliminary.*
[2] *Revised.*
[3] *Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*
[4] *Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

week, but this is probably a conservative estimate. After deducting the $100 per week that the machinists were getting for strike benefits, calculations show that for each week that the machinists were on strike, approximately $1,055,700 in wages was lost to the Portland workers. The machinists were on strike for seven weeks (that's over $7 million!)

A central tenet of economic theory is that a loss of income in a basic sector of the economy, whatever its source, will cause a decrease in total state income that is greater than the initial drop in income. This multiplier is the ratio of change in total state income to the initial change in the basic sector's income. According to Hans Radtke, a consulting economist, the income multiplier for the aircraft and missile equipment industry is at least 2.4. This means that, overall, the Portland area could lose almost $18 million in income because of the strike. The Seattle area could lose in the neighborhood of $449 million. These estimates do not include income which was lost because Boeing suppliers laid off employees due to the machinist strike.

On November 20, the International Association of Machinists and Aerospace Workers voted overwhelmingly to approve a 3-year contract with Boeing. They returned to work November 22.

CONSTRUCTION EMPLOYMENT

In October, construction employment declined by 200, one fourth the expected seasonal drop. With 46,900 workers, this reflects the best October for construction since 1980, far above the recession's worst October (29,400 workers in 1982). General contractors had 11,800 workers; plumbing, heating, and air conditioning employed 5,900; and electrical employed 6,200. All of these industries exceeded expectations.

HOUSING PERMITS & STARTS

It is not surprising that Oregon's housing industry continues to prosper. According to Mike Murphy, Economist for the Oregon Housing Agency, single-family housing permits rose 20.4 percent (7,163 to 8,622) between September 1988 and September 1989 while multi-family housing permits shot up 137 percent (3,614 to 8,573). Total permits were up 59.6 percent during this period.

Housing permits can be converted to housing starts. Because there is a time lag between the issuance of the permit and when actual construction begins, adjustment figures are based on a lag factor. The factor also recognizes that not all units authorized by permit will be constructed. Census estimates indicate that two percent never get started, but in a recession this is much higher.

According to David Small, Senior Economist in the Office of Economic Analysis, housing starts in Oregon will jump 44 percent from 1988 to 1989, from 12,900 starts in 1988 to 18,600 starts by the end of 1989. The 1989 level is the highest since 1980 (19,600 starts). He also estimates that starts will go down to 14,600 in 1990 and to 13,800 in 1991.

> ***. . .housing starts in Oregon will jump 44 percent from 1988 to 1989. . .***

Nationally, housing starts were up 12 percent in October from September's seven year low. Government analysts think that this increase was partially because the Fed has been gradually easing interest rates from March's 11.2

STATE OF OREGON UNEMPLOYMENT RATES BY AREA

October 1989

	Civilian Labor Force	Total Employment	Unemployment	Rate[1]
State of Oregon	1,416,800	1,351,900	64,900	4.6
Eugene MSA[2]	143,100	136,900	6,200	4.3
Medford MSA[3]	71,180	67,890	3,290	4.6
Portland PMSA[4]	646,400	618,500	27,900	4.3
Salem MSA[5]	133,600	128,100	5,500	4.1
Baker	6,700	6,370	330	4.9
Benton	36,910	35,910	1,000	2.7
Clatsop	17,310	16,320	990	5.7
Columbia	16,520	15,520	1,000	6.1
Coos	25,910	23,960	1,960	7.5
Crook	6,720	6,380	340	5.1
Curry	9,070	8,600	470	5.2
Deschutes	36,900	34,910	1,990	5.4
Douglas	43,800	41,410	2,390	5.5
Gilliam	900	860	40	4.4
Grant	4,270	4,120	150	3.5
Harney	4,090	3,840	250	6.1
Hood River	9,610	9,220	390	4.1
Jefferson	6,950	6,700	250	3.6
Josephine	25,810	24,220	1,590	6.2
Klamath	24,870	23,550	1,320	5.3
Lake	3,970	3,710	260	6.5
Lincoln	19,390	18,500	890	4.6
Linn	40,670	38,210	2,460	6.0
Malheur	13,680	13,220	460	3.4
Morrow	4,150	3,930	220	5.3
Sherman	720	690	30	4.2
Tillamook	8,830	8,370	460	5.2
Umatilla	29,820	28,200	1,620	5.4
Union	11,100	10,640	460	4.1
Wallowa	3,920	3,800	120	3.1
Wasco	9,350	8,840	510	5.5
Wheeler	580	550	30	5.2

[1] *Not Seasonally Adjusted*
[2] *Lane County*
[3] *Jackson County*
[4] *Clackamas, Multnomah, Washington, Yamhill counties*
[5] *Marion and Polk counties*

percent peak to 9.8 percent by the end of October. However, total U.S. housing starts were down 5 to 6 percent from October 1988 to October 1989.

POPULATION GROWS

Oregon's population increased 50,000 to 2,791,000 during the 12 months ending July 1, 1989, according to a preliminary estimate released by the Portland State University Center for Population Research and Census. According to Dr. Howard Wineberg, Estimates Program Manager, this increase represents 16,500 more births than deaths plus a net migration to the state of about 33,500. Oregon's large population increase continues to reflect good job prospects due to a strong economy across much of the state.

> ***Oregon's large population increase continues to reflect good job prospects due to a strong economy across much of the state.***

While the October 13 stock market sell-off accentuated the vulnerability of financial and foreign exchange markets and introduced additional uncertainty into the economic outlook, the San Francisco earthquake accentuated our vulnerability in other, more personal ways, and introduced additional uncertainty into our future. Certainly it caused many of us to examine our homeowners' policies for evidence of earthquake insurance. (Yes, Virginia, there is a fault that runs through Portland! This gives a whole new perspective to the phrase 'finding fault.') It was interesting to see the San Francisco area return to normal only days after the quake. This included the San Francisco Regional Bureau of Labor Statistics (BLS) staff, who provided on-site reports to interested BLS state staff. The San Francisco quake caused many of us to wonder: if Oregon were hit by an earthquake or other such disaster, would we bounce back as well?

In any event, considering the low numbers of unemployed Oregonians coupled with only moderate inflation, strong housing starts and employment levels in construction and other industries, last month was the best October that Oregon has had in many years. ☐

FEDS SHOP IN LABOR SURPLUS AREAS

Jeff Hannum

Effective October 1 of each year, the U.S. Department of Labor designates a number of local areas throughout the United States and Puerto Rico as "labor surplus areas." These are areas with recent high unemployment rates to which federal procurement contracts can be directed. Employers located in a labor surplus area, or which agree to carry out over half of the contract in one of these areas, are eligible for preference in bidding on certain federal contracts worth approximately $2.5 billion each year.

Rather than classifying these areas by metropolitan area or by labor market area, the Department of Labor classifies them on the basis of civil jurisdictions. At present, these are defined as all cities with a population of at least 25,000 and all counties (or balance of counties less cities of 25,000 or more).

A civil jurisdiction is classified as a labor surplus area when its average unemployment rate is at least 20% above the average unemployment rate for the nation during the previous two calendar years. Two exceptions may occur during periods of high or low national unemployment. During periods of high national unemployment (i.e. a rate above 8.3%), an area is classified as a labor surplus area if its average rate is 10% or more. During periods of low national unemployment (i.e. a rate below 5.0%), a 6.0% 'floor' comes into effect. No area with an unemployment rate of less than 6.0% would be considered a labor surplus area.

Under certain exceptional circumstances, an area not meeting any of the above criteria may be considered a labor surplus area if a significant increase in unemployment takes place which is not reflected in the rate for the previous two years.

In 1987-88, the average unemployment rate for the U.S. (including data for Puerto Rico) was 5.9%. Therefore, the new qualifying rate for labor surplus areas is 7.1% (1.2 times 5.9 equals 7.1). The accompanying table lists 23 areas in Oregon which were designated labor surplus areas by the U.S. Department of Labor for the period October 1, 1989, to September 30, 1990. This list is identical to last year's Oregon list with the only exception being the City of Albany no longer qualifies since its 1987-88 unemployment rate averaged 6.5%. A complete list of all of the nearly 1,700 labor surplus areas in the nation appears in the U.S. Department of Labor's monthly publication entitled **Area Trends in Employment and Unemployment**.

Employers interested in bidding on federal procurement contracts should consult the **Commerce Business Daily** which lists federal contracting requirements and indicates those to be awarded under preference procedures. The Auburn Business Service Center of the General Services Administration can provide additional information concerning federal contracting opportunities in Alaska, Idaho, Oregon and Washington.

Contact:

General Services Administration
Attn: Wiletta Brown
GSA Center, Room 2413
Auburn, WA 98001
Ph. (206) 931-7956

☐

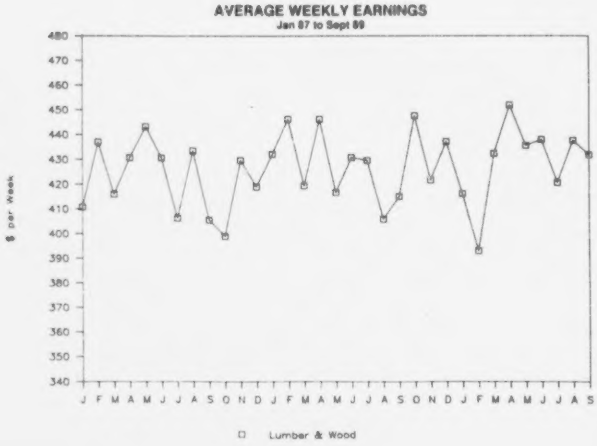
Oregon Labor Surplus Areas
Eligible for Federal Procurement Preference
October 1, 1989 through September 30, 1990

Baker County
Columbia County
Coos County
Crook County
Deschutes County
Douglas County
Grant County
Harney County
Hood River County
Josephine County
Klamath County
Lake County
Linn County less Albany City
Malheur County
Morrow County
Sherman County
Springfield City in Lane County
Tillamook County
Umatilla County
Union County
Wallowa County
Wasco County
Wheeler County

AUTUMN LEAVES

Gary Sincick

September hours & earnings data, inevitable as the falling leaves, have once again been raked out of our statistical backyard and are gathered here for perusal. The biggest winner last month was textile mill products which posted the largest percentage increase of any industry in all three hours & earnings categories. A $0.52 gain in average hourly earnings (+7.9%) plus an increase of 3.3 in average weekly hours (+10.2%) combined to push its average weekly earnings up $40.23 to $253.11 (+18.9%). The bulk of this change, however, was simply a return to normal activity from August when several plants temporarily cut their hours and payroll but kept employment levels steady.



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Sep.[2] 1989	Aug.[3] 1989	Sep. 1988	Sep.[2] 1989	Aug.[3] 1989	Sep. 1988	Sep.[2] 1989	Aug.[3] 1989	Sep. 1988
TOTAL MANUFACTURING[4]	$430.95	$421.22	$413.82	39.5	39.7	39.6	$10.91	$10.61	$10.45
Durable Goods	442.73	435.31	420.79	39.6	39.9	39.4	11.18	10.91	10.68
Lumber & Wood Products	431.84	437.70	415.03	38.8	39.9	38.5	11.13	10.97	10.78
Logging & Sawmills	465.66	472.35	426.16	39.0	40.2	36.3	11.94	11.75	11.74
Veneer & Plywood	415.49	422.26	440.77	38.4	39.5	41.7	10.82	10.69	10.57
Millwork & Structural	366.27	368.00	349.67	38.8	39.4	39.6	9.44	9.34	8.83
Mobile Homes	330.28	345.98	319.79	35.9	38.7	37.8	9.20	8.94	8.46
Other Wood Products	414.85	419.29	418.00	39.1	40.2	40.0	10.61	10.43	10.45
Furniture & Fixtures	384.80	366.11	313.11	40.0	37.9	35.5	9.62	9.66	8.82
Primary Metals	503.03	479.35	516.89	41.3	40.9	43.4	12.18	11.72	11.91
Fabricated Metals	402.34	395.07	388.23	39.6	39.0	39.9	10.16	10.13	9.73
Machinery (Ex Electrical)	446.88	436.91	434.58	39.9	39.9	39.4	11.20	10.95	11.03
Nondurable Goods	399.99	387.70	397.18	39.1	39.4	40.2	10.23	9.84	9.88
Food & Kindred Products	323.08	315.20	317.98	38.6	39.4	39.5	8.37	8.00	8.05
Canning & Preserving	278.78	273.74	277.90	38.4	39.5	39.7	7.26	6.93	7.00
Other Food Products	419.64	413.17	411.72	39.0	39.2	39.1	10.76	10.54	10.53
Textile Mill Products	253.11	212.88	219.78	35.8	32.5	33.2	7.07	6.55	6.62
Apparel	266.13	263.07	241.40	39.9	39.5	38.5	6.67	6.66	6.27
Paper & Allied Products	639.63	610.90	670.60	41.4	41.0	45.9	15.45	14.90	14.61
Printing & Publishing	486.41	470.50	476.01	38.3	37.7	38.7	12.70	12.48	12.30
Construction[4]	568.42	551.07	540.92	38.2	37.9	37.8	14.88	14.54	14.31
Communications & Utilities[5]	540.47	546.56	537.89	41.1	41.5	41.6	13.15	13.17	12.93
Trade[5]	325.49	319.90	315.00	34.7	35.0	35.0	9.38	9.14	9.00
Wholesale Trade	431.67	411.79	422.07	38.1	37.3	38.9	11.33	11.04	10.85
Retail Trade	270.27	270.61	260.37	33.0	33.7	33.0	8.19	8.03	7.89
Banking & Insurance[5]	342.43	345.59	344.31	36.9	37.2	38.6	9.28	9.29	8.92
State & Local Government	420.03	421.43	397.25						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

Paper & allied products registered a $28.73 rise in weekly earnings (+4.7%) bringing its September average up to $639.63, virtually equaling its level in January 1989 of $638.18. In the interim, though, weekly earnings in this industry have bounced about quite vigorously, hitting a peak of $690.24 in March and bottoming out last month at $610.90.

"These data seem to change randomly on a monthly basis, so what good are they?"

Manufacturing, as a whole, increased its average weekly earnings by just 2.3%, largely due to an across-the-board drop in all lumber & wood products industries (-1.3%). Mobil home manufacturing fared the worst, dropping $15.70 to an average of $330.28 (-4.5%). Before jumping to the conclusion that this is hard evidence of a decline in this industry, it should be noted that, while dropping last month, the average weekly wage in forest products industries rose 4.0% in August. However, this was preceded by a 3.9% drop in July. In fact, looking back over the last twelve months, this statistic has increased six times and decreased six times, alternating nearly every month, for a net positive change of 4.0%.

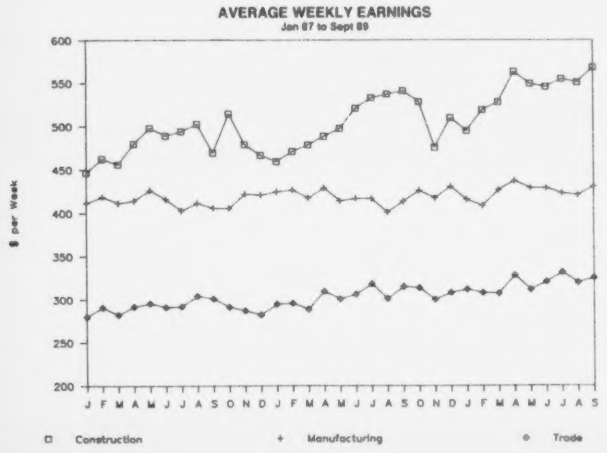
At this point, newcomers to hours & earnings statistics might be inclined to ask, "These data seem to change randomly on a monthly basis, so what good are they?" Veteran observers, however, may be led to ask, "These data seem to change randomly on a monthly basis, so what good are they?" The answer, of course, is to take a broader perspective that minimizes short-run fluctuations and emphasizes long-run trends. Monthly fluctuations of hours & earnings data seldom, if ever, reflect long-term trends. Gains or losses one month are likely to be balanced by a counteracting movement within another month or two, resulting in a virtually flat long-term growth trend. Searching for significant trends in one month changes in hours & earnings data is like looking for evidence of the greenhouse effect in the daily weather patterns.

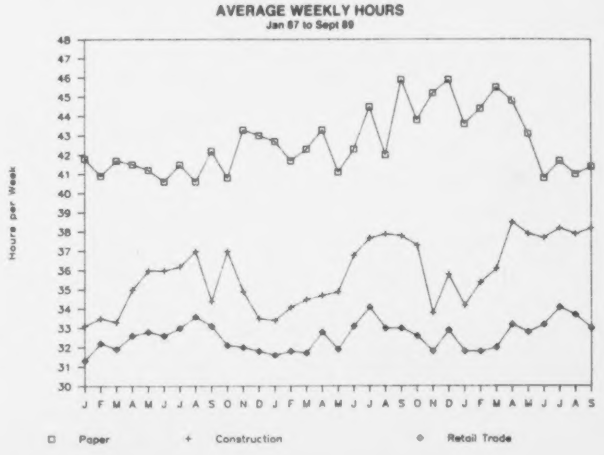
. . .before igniting this pile of autumnal statistics, take a few steps back and admire the view from afar.

In view of this, all the accompanying graphs depict changes that have occurred over the last 33 months. It can be seen that a given data series generally has a well-defined range of fluctuation. It is the movement of this entire range over time (or lack thereof) that describes real economic trends. Looking again at earnings in the lumber & wood products industry, this time over the 33 month period, the meaningful trend becomes apparent. The range of fluctuation of this data series has remained virtually horizontal since January 1987. Were these data to be adjusted for inflation, the result would be a decline in real average weekly wages.

Once viewed from a long-run standpoint, these data also become more useful for demonstrating the qualitative differences between various industry groups. The 33 month data series graph for average weekly earnings illustrates some major disparities between construction, manufacturing, and trade industries. Of the three, only construction has shown strong wage growth over this period, whereas manufacturing has remained virtually flat. In January 1988, average weekly wages in construction exceeded those in manufacturing by just $34.46; that gap has since widened to $137.47 in September 1989. The relative volatility of construction's weekly wages reflects the seasonal nature of that industry, evidence of which can also be seen in the average weekly hours graph. Average hours worked per week in construction varies by about 4 hours depending upon the time of year.

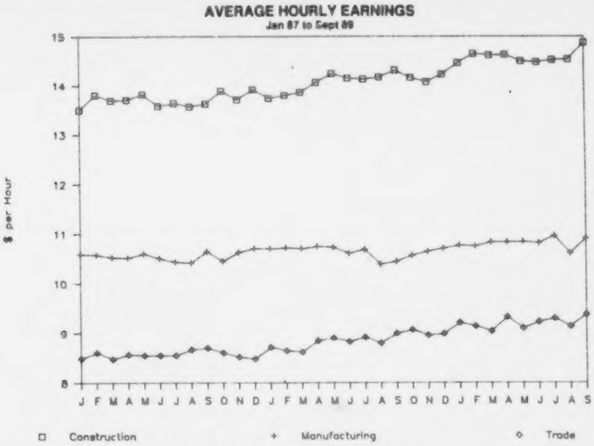
The average weekly hours graph also points out the range between the industries with the highest and the lowest weekly hours. Paper & allied products, with its propensity to work its relatively high-paid crews overtime rather than hire new employees, has never averaged less than 40 hours per week for the period shown, and peaked at 45.9 twice during 1988. At the other end of the spectrum, retail trade, with its high proportion of relatively low-paid part-time employees, averaged more than 34 hours per week only twice over the same 33 month period. A cyclical





pattern can be seen as more part-time employees are added towards the holiday season each year.

Many incorrect and misleading inferences have been made about the economy based on a myopic view of the data. So remember...before igniting this pile of autumnal statistics, take a few steps back and admire the view from afar. ☐



JSEC SEMINARS

THE PROBLEM EMPLOYEE

Motivating and Working With Your Staff
The Inn at Otter Crest
Otter Rock, Oregon
December 5. . .8:00 a.m.-12:00 noon
Call J. Bentley Bell, phone 265-8891
or Ralph Evans, phone 265-8891

ENERGIZING YOUR WORK FORCE

(Build A Motivated Productive Team)
Moose Lodge
Roseburg, Oregon
December 5. . .7:15 a.m.-12:00 noon
Call Brenda Pyle, phone 440-3344
or Kathi Joy, phone 672-2648

PROTECTING YOUR BUSINESS FROM ALLEGATIONS OF WRONGFUL DISCHARGE

Inn at the Coliseum
Portland, Oregon
December 6. . .7:30 a.m.-11:30 a.m.
Call Jerry Fugere, phone 280-6004
or Martin Burrows, phone 280-6046

INCREASE PRODUCTIVITY BUILD A PRODUCTIVE TEAM EMPLOYEE MOTIVATION

Sunrise Restaurant (formerly Hi Ho)
Clackamas, Oregon
December 12. . .7:15 a.m.-11:30 a.m.
Call Cathie Moravec, phone 657-2126
or Jerry Howard, phone 657-2078 ☐

LMI LABOR MARKET INFORMATION

STATE OF OREGON

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OREGON LABOR TRENDS

DECEMBER 1989

State of Oregon • Employment Division • Department of Human Resources

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)		
Nov.	1989	5.7
Oct.	1989	5.3
Nov.	1988	5.2
United States (Seas. Adj.)		
Nov.	1989	5.4
Oct.	1989	5.3
Nov.	1988	5.4

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)		
Nov.	1989	128.8
Oct.	1989	128.6
Sept.	1989	128.0
Aug.	1989	127.8
July	1989	127.5

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
Oct.	1989	$10.84
Sept.	1989	$10.88
Oct.	1988	$10.57

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Oct.	1989	40.2
Sept.	1989	39.5
Oct.	1988	40.3

CONSUMER PRICE INDEX (CPI)
1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
Jan-June 1989	119.3
Yearly change	5.0%
Annual Average 1988	114.7
Yearly change	3.4%
United States	
Nov. 1989	125.9
Yearly change	4.7%
Annual Average 1988	118.3
Yearly change	4.1%

Portland Hotline 221-4132

1989: In Like an Owl...Out Like a Lamb?

Jeff Hannum

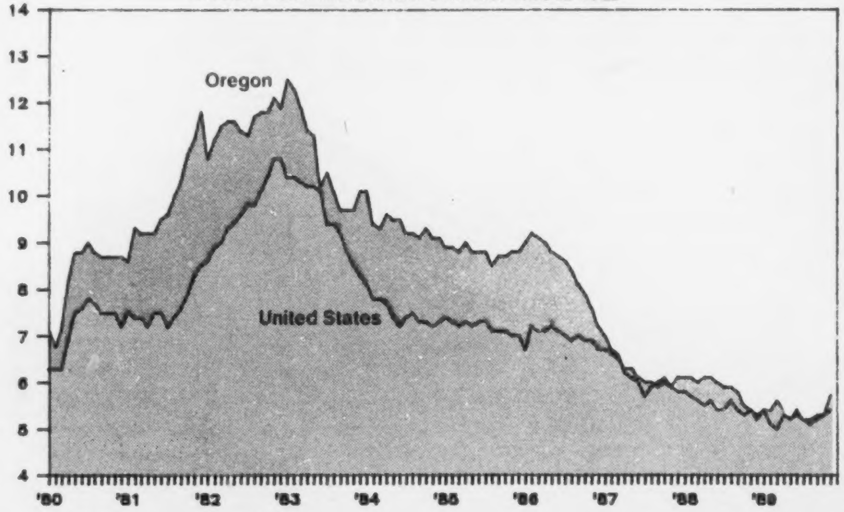
According to the Chinese zodiac, 1989 was supposed to be the year of the snake. For many in Oregon, however, it was the year of the spotted owl. Although 1989 began with the wood products industry facing some difficult problems (i.e. rising interest rates, a major labor dispute, spotted owl court injunctions curtailing logging and timber sales on federal old-growth forests, higher timber prices and log shortages), Oregon's economy overall had a good deal of momentum carried over from 1988. The state's unemployment rate was only 5.4% in January, and nonfarm wage and salary employment was 56,100 higher than in January 1988. Since then, Oregon's economy like the nation's has shifted into a lower gear, but is still expanding.

Vital Signs Mixed in November

Recent labor force statistics still paint a positive picture, especially on the employment side, but there are some signs of growing slack. Preliminary data for November, for example, indicate that nonfarm payroll employment losses were 2,200 less than seasonally expected over the month, boosting the wage and salary employment index by 0.2 points to 128.8 in November from October's revised level of 128.6. Even though approximately 1,700 Boeing workers were still on strike during the mid-month survey week, it was the highest level ever for this seasonally adjusted employment indicator as well as the seventh monthly increase in a row.

If we compare the nonfarm wage and salary employment level for each month in 1989 with the corresponding month a year ago, however, it is clear that economic growth is winding down. In November, year-to-year job growth was still a respectable 32,800, but this was the smallest annual gain of any month so far in 1989 and just over half the January-to-January gain of 56,100.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1980 to 1989



*Civilian Labor Force Only

Another gray cloud in the picture as this year draws to a close is November's four-tenths jump in the unemployment rate to 5.7%, the largest one-month increase since October 1984. This also marks the highest rate in more than a year (since September 1988), the third monthly increase in a row, and the first time in 1989 in which the unemployment rate is now higher than the same month a year ago. These unemployment rate trends suggest that there may be a growing mismatch between the many job openings available and the skills of those Oregonians who are currently seeking work.

The one positive thing about November's unemployment increase is that it seemed to be due more to an unexpected increase in the labor force than to a weakness in employment. Since seasonal job opportunities are currently good, especially in the retail trade sector, it is likely that labor force participation rates, particularly of women, are continuing to increase to perhaps their highest levels ever. A quick look at some of November's industry employment trends confirms that the state's economic expansion is still on track despite the surge in unemployment in November. Nonfarm payroll employment dropped by only 3,100 over the month when a normal seasonal loss would have been 5,300. Trade, durable goods manufacturing, construction, and portions of the finance and real estate industries all performed better than expected in November.

Retail trade was especially strong reflecting more new store openings and the start of the holiday rush, particularly in general merchandise stores. Employment gains in trade (+4,300) were nearly twice the number expected in November. In manufacturing, lumber and wood products exhibited a mixed pattern of mill closures, reopenings, and call-backs from previous layoffs but still managed to keep job losses a little below the seasonal norm. In other durable goods manufacturing, machinery and electrical equipment and supplies both added more workers in November reaching near record levels of employment. The Boeing strike continued to idle approximately 1,700 transportation equipment workers through the mid-November survey week, but a settlement was reached later in the month which will provide a big boost to this industry in December.

There were also some industries with sub-par employment trends in November including government, food and kindred products, and some services. Employment gains in the public sector were only about half the 2,000 seasonally expected due to anemic hiring by community colleges. These schools, however, had experienced unusually strong gains a month earlier in October. A similar timing situation occurred in food processing with the only difference being end-of-season layoffs were running about a month ahead of schedule this year.

. . .Oregon's economy like the nation's has shifted into a lower gear, but is still expanding.

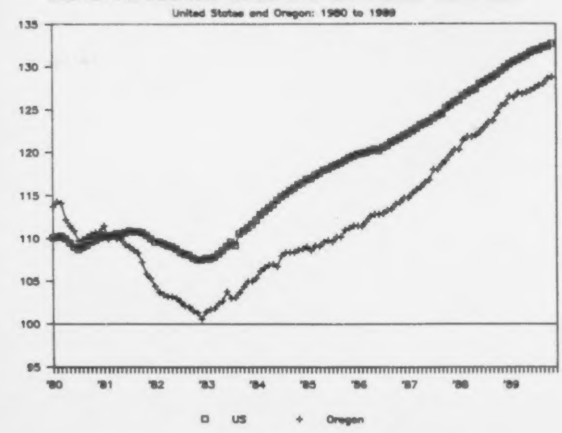
Employment declines in services were also a little larger than seasonally expected in November. Two, in particular, were business and recreation services. A lack of snow which has continued well into December has taken a toll on employment in recreation services, mainly ski facilities.

Employment growth in business services has slowed sharply in 1989, and in November this sector plummeted by 800 mainly due to an uncharacteristic drop in employment at personnel supply services firms. Whether this reflects an increased willingness on the part of client firms to hire their own permanent workers (rather than use temporary help firms) or is a leading indicator of a softer labor market to come remains to be seen. Past experience indicates that employment levels in the personnel supply services industry are highly sensitive to the business cycle. When times are good as in recent years, employment in this sector soars! When the economy begins to falter, however, these are usually the first workers to be laid off.

Despite these recent signs of slower growth and an uptick in unemployment, the overall economic health of Oregon and the nation is amazingly strong considering the record length of the current economic expansion which reached its seventh birthday in November. Even though December data is not yet in, we can look back on 1989 as one of the best years for Oregon's economy in the 1980s.

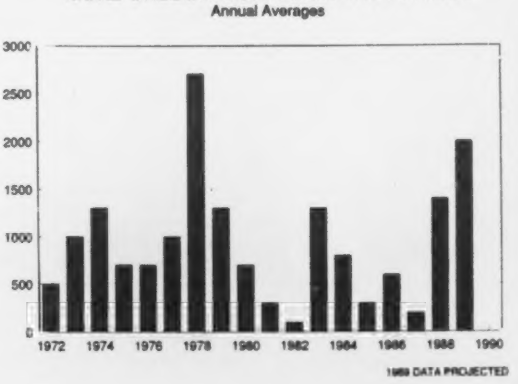
1989-A Banner Year

In many respects, 1989 was the best year of the decade for Oregon's economy even though it was an unusually difficult one for the state's forest products industry. More Oregonians were employed than ever before and the unemployment rate dropped to the lowest level in 20 years (5.4% annual average projected for 1989). New highs were also reached for total population, labor force, percentage of the adult population employed, and labor force participation rates, particularly of women.



SEAS. ADJUSTED W&S EMPLOYMENT INDEXES

United States and Oregon: 1980 to 1989



MORE OREGON WORKERS STRIKE IN 1989!

Annual Averages

1989 DATA PROJECTED

RESIDENT OREGON LABOR FORCE

	NOV.[1] 1989	OCT.[2] 1989	CHANGE	%CHANGE	NOV.[5] 1988
CIVILIAN LABOR FORCE[3]	1,423,500	1,417,200	6,300	0.4	1,418,100
UNEMPLOYMENT	73,600	64,700	8,900	13.8	69,200
PERCENT OF LABOR FORCE	5.2	4.6	XXX	XXX	4.9
SEASONALLY ADJUSTED PERCENT	5.7	5.3	XXX	XXX	5.4
TOTAL EMPLOYMENT[4]	1,349,900	1,352,500	-2,600	-0.2	1,348,900

[1] *Preliminary.*

[2] *Revised.*

[3] *Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.*

[4] *Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.*

[5] *Due to revised estimating procedures between December 1988 and January 1989, data for 1989 and that of previous years are not strictly comparable.*

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	NOV.[1] 1989	OCT.[2] 1989	NOV. 1988	CHANGE FROM OCT. 1989	CHANGE FROM NOV. 1988
TOTAL[3]	1,221,900	1,225,000	1,189,100	-3,100	32,800
WAGE & SALARY EMPLOYMENT INDEX[4]	128.8	128.6	125.4	XXX	XXX
TOTAL MANUFACTURING	217,800	222,800	215,500	-5,000	2,300
DURABLE GOODS	157,700	158,500	157,200	-800	500
LUMBER & WOOD PRODUCTS	67,600	68,100	69,600	-500	-2,000
LOGGING & SAWMILLS	34,200	34,700	36,000	-500	-1,800
VENEER & PLYWOOD	16,300	16,300	16,900	0	-600
MILLWORK & STRUCTURAL WOOD	10,700	10,800	10,400	-100	300
MOBILE HOMES	1,900	1,800	1,800	100	100
OTHER WOOD PRODUCTS	4,500	4,500	4,500	0	0
FURNITURE AND FIXTURES	2,800	2,900	2,700	-100	100
STONE, CLAY, GLASS & CONCRETE	4,600	4,700	4,300	-100	300
PRIMARY METALS	11,400	11,500	10,300	-100	1,100
BLAST FURNACES, IRON & STEEL	6,800	6,800	6,000	0	800
NONFERROUS METALS	4,600	4,700	4,300	-100	300
FABRICATED METALS	10,700	10,900	11,500	-200	-800
FABRICATED STRUCTURAL METALS	4,400	4,500	4,900	-100	-500
OTHER FABRICATED METALS	6,300	6,400	6,600	-100	-300
MACHINERY	18,800	18,600	17,500	200	1,300
ELECTRICAL EQUIPMENT & SUPPLIES	17,500	17,300	15,900	200	1,600
TRANSPORTATION EQUIPMENT	9,600	9,700	10,200	-100	-600
INSTRUMENTS & RELATED PRODUCTS	11,000	11,100	11,400	-100	-400
MISCELLANEOUS MANUFACTURING	3,700	3,700	3,800	0	-100
NONDURABLE GOODS	60,100	64,300	58,300	-4,200	1,800
FOOD & KINDRED PRODUCTS	24,400	28,600	24,300	-4,200	100
CANNING & PRESERVING	12,200	16,500	12,500	-4,300	-300
OTHER FOOD PRODUCTS	12,200	12,100	11,800	100	400
TEXTILE MILL PRODUCTS	1,700	1,700	1,700	0	0
APPAREL	2,600	2,600	2,700	0	-100
PAPER & ALLIED PRODUCTS	9,100	9,100	8,300	0	800
PRINTING & PUBLISHING	14,100	13,900	13,600	200	500
CHEMICALS & ALLIED PRODUCTS	2,300	2,300	2,200	0	100
PETROLEUM REFINING	500	600	500	-100	0
RUBBER & PLASTIC PRODUCTS	4,800	4,900	4,600	-100	200
LEATHER PRODUCTS	600	600	400	0	200
TOTAL NONMANUFACTURING	1,004,100	1,002,200	973,600	1,900	30,500
MINING & QUARRYING	1,500	1,600	1,500	-100	0
CONSTRUCTION	44,300	46,700	39,800	-2,400	4,500
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	64,600	64,500	62,200	100	2,400
TRANSPORTATION	42,700	42,700	40,700	0	2,000
RAILROAD	3,800	3,800	3,900	0	-100
TRUCKING & WAREHOUSING	23,800	23,600	22,600	200	1,200
OTHER TRANSPORTATION	15,100	15,300	14,200	-200	900
COMMUNICATIONS	12,900	12,900	12,800	0	100
UTILITIES	9,000	8,900	8,700	100	300
TRADE	319,300	315,000	304,700	4,300	14,600
WHOLESALE TRADE	80,000	80,000	74,600	0	5,400
DURABLE GOODS	46,700	46,500	43,500	200	3,200
NONDURABLE GOODS	33,300	33,500	31,100	-200	2,200
RETAIL TRADE	239,300	235,000	230,100	4,300	9,200
GENERAL MERCHANDISE	33,200	31,200	31,300	2,000	1,900
FOOD STORES	40,000	40,100	39,100	-100	900
AUTO DEALERS & SERVICE STATIONS	28,500	28,600	28,200	-100	300
OTHER RETAIL TRADE	137,600	135,100	131,500	2,500	6,100
FINANCE, INSURANCE, & REAL ESTATE	75,400	75,400	73,900	0	1,500
BANKING & CREDIT AGENCIES	23,600	23,500	23,500	100	100
OTHER FINANCE, INSURANCE, & REAL ESTATE	51,800	51,900	50,400	-100	1,400
SERVICES	277,000	278,100	269,900	-1,100	7,100
HOTELS & PERSONAL SERVICES	27,800	28,300	27,300	-500	500
HEALTH SERVICES	85,200	84,700	79,300	500	5,900
OTHER SERVICES	164,000	165,100	163,300	-1,100	700
GOVERNMENT	222,000	220,900	221,600	1,100	400
FEDERAL GOVERNMENT	31,600	32,400	32,300	-800	-700
STATE GOVERNMENT	60,100	59,900	60,400	200	-300
EDUCATION	25,800	25,300	25,700	500	100
OTHER STATE	34,300	34,600	34,700	-300	-400
LOCAL GOVERNMENT	130,300	128,600	128,900	1,700	1,400
EDUCATION	83,500	81,600	81,900	1,900	1,600
OTHER LOCAL	46,800	47,000	47,000	-200	-200
LABOR – MANAGEMENT DISPUTES	2,000	2,000	1,200	0	800

[1] *Preliminary.*

[2] *Revised.*

[3] *Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*

[4] *Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

Although economic growth has slowed this year in both Oregon and the nation in response to the Federal Reserve's year-long effort to keep the lid on inflation, nonfarm employment continued to grow faster in Oregon (+3.7%) than in the nation (+2.8%) for the fourth straight year. Compared with other states, Oregon and the Pacific Northwest was one of the strongest economic regions. Based on the first ten months of 1989, Oregon's growth rate for nonfarm wage and salary employment was eighth highest of all states, down a little from 1988 when Oregon ranked third in the nation. Most other states in this region also enjoyed rapid employment gains including Nevada (ranking first), Washington (second), Idaho (sixth), and Alaska (ninth).

. . .the volume of timber in the pipeline (i.e. sold but not yet harvested) dwindled to historic low levels this past year.

Oregon's employment growth, however, was not as well-balanced between manufacturing (+1.3%; ranking nineteenth) and nonmanufacturing (+4.5%; fifth highest) in 1989. The primary reason for this was the 1,700 projected employment loss in the state's number one industry, lumber and wood products. The problem this year was not so much demand related, although wood products production was off the pace of 1988, but rather reflected a number of problems on the timber supply side including soaring costs and limited availability, especially of old-growth timber in Western Oregon and Washington. An additional factor suppressing wood products employment in the first half of the year was a major labor dispute at Roseburg Forest Products Co. mills affecting over 3,000 workers primarily in Southern Oregon.

A more persistent and pervasive problem affecting the whole industry throughout the year, however, was the on-going controversy over how the region's national forests should be managed. Court injunctions barring logging and timber sales on federal old-growth forests were in effect during much of the year. These were the result of lawsuits filed by environmental groups trying to protect the viability of the spotted owl which is being considered for possible designation by the federal government in 1990 as an endangered species. Although a temporary Congressional compromise was reached in the fall which requires an accelerated rate of federal timber sales during FY 1990 to partially offset the low sales activity in 1989, the volume of timber in the pipeline (i.e. sold but not yet harvested) dwindled to historic low levels this past year. One result has been soaring log prices and a growing cost-price squeeze particularly for those mills most dependent upon federal timber supplies. For the year as a whole, logging employment is projected to fall by about 600 to the lowest level since 1983; sawmills and planing mills will lose about 400; and the strike-impacted veneer and plywood sector will drop by 1,300 this year to the lowest level on record. One positive note for the industry is that employment in millwork and structural wood products continued to expand reaching its highest level ever.

. . .average number of workers on strike in 1989 (about 2,000) was the highest since 1978.

Despite job losses in lumber and wood products, manufacturing employment overall increased by about 3,000 in 1989 reaching its highest level since 1979. Solid gains were posted by many durable goods industries which continued to benefit from the aerospace/Boeing boom, Oregon's high level of construction, export growth, and continued strong demand for capital equipment. The state's electronics industry added more than 1,000 new jobs in 1989 as electrical equipment and supplies reached a new record high while employment in instruments and related products dropped to its lowest mark since 1972. In nondurable goods manufacturing, the paper industry and makers of plastic products were the major sources of strength while the food products industry remained at last year's level.

Before leaving manufacturing, it should be noted that average hourly earnings of manufacturing workers in Oregon, after adjusting for 1989's higher inflation rate, are expected to fall

SELECTED ECONOMIC INDICATORS FOR OREGON, 1979-89

Year	Total Population (000)	Civilian Labor Force (000)	Unemployment		Nonfarm Wage & Salary Employment (000)	Mfg. (000)	Nonmfg. (000)	Real Ave. Hrly Earnings in Mfg. (1988 dollars) ($)	Portland CPI-U (Ann. Ave. Chg.) (%)
			Number (000)	Rate (%)					
1979	2,584.4	1,217.0	83.0	6.8	1,056.2	228.5	827.7	11.80	13.6
1980	2,639.9	1,295.0	107.0	8.3	1,044.6	215.1	829.5	11.38	13.2
1981	2,660.7	1,337.0	132.0	9.9	1,018.4	202.7	815.7	11.43	8.9
1982	2,656.2	1,324.0	153.0	11.5	960.8	185.7	775.1	11.73	3.2
1983	2,635.0	1,341.0	145.0	10.8	966.7	188.8	779.1	11.86	1.1
1984	2,660.0	1,335.0	125.0	9.4	1,006.9	201.1	805.8	11.65	3.7
1985	2,675.8	1,316.0	116.0	8.8	1,030.0	199.3	830.7	11.29	3.8
1986	2,661.5	1,360.0	115.0	8.5	1,058.5	198.4	860.1	11.20	1.4
1987	2,690.0	1,387.0	86.0	6.2	1,100.1	206.2	893.9	10.92	2.5
1988	2,741.0	1,408.0	82.0	5.8	1,152.3*	214.3*	938.0*	10.64*	3.4
1989	2,791.0	1,442.5**	77.3**	5.4**	1,194.5**	217.4**	977.1**	10.27**	5.4**
(1988-89 change)	50.0	34.5	−4.7	−0.4	42.2	3.1	39.1	−0.37	2.0

* Preliminary data

** Projected annual averages

for the sixth straight year. Perhaps this is a main reason why the average number of workers on strike in 1989 (about 2,000) was the highest since 1978. Most of these workers were employed in manufacturing industries. Another key reason was no doubt the growing specter of labor shortages this year as some employers, like those in the aerospace industry, strained to meet production demands.

While the nation's export boom seemed to be losing some of its energy in recent months due to the dollar's higher value over the past year, the value of exports from the Oregon Customs District in 1989 (projected based on activity in the first ten months) will be approximately 10% higher. Although this does indicate some slowing compared with 1988's 52% jump and 1987's 17% gain, it still shows that foreign exports continue to be an economic plus for Oregon's economy. Data for the first half of 1989 further indicate that the volume of log exports from the Columbia-Snake Customs District was down 7% from the same period in 1988, while the volume of lumber exports was 55% higher. The total value of imports in 1989 is projected to be about the same as in 1988.

. . .Oregon experienced a major boom in residential building in 1989, much of it in multi-family housing.

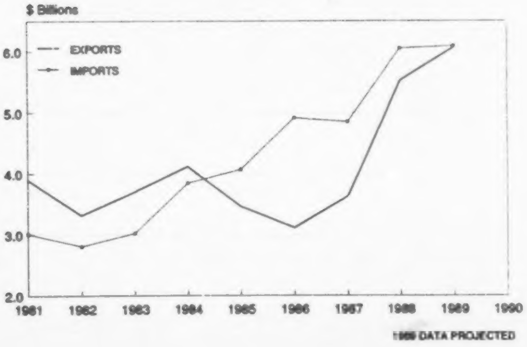
As in past years, nonmanufacturing industries added the vast majority (93%) of new jobs in 1989. While trade and services created the largest number of jobs, Oregon's booming construction industry grew the fastest--up by 10%! All sectors of construction were very busy during the year and shortages of skilled labor were all too common.

. . .medical services demand and employment continues to mushroom. . .

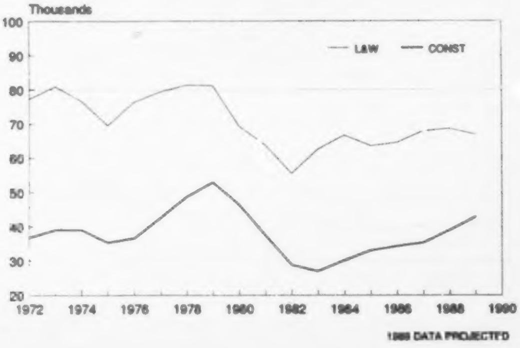
In addition to a high volume of commercial and public works construction activity, Oregon experienced a major boom in residential building in 1989, much of it in multi-family housing. Contrary to the national trend which saw a 5% decline in U.S. housing starts in 1989 reflecting higher mortgage interest rates throughout most of 1988 and the first half of 1989, Oregon housing starts are projected to be about 44% higher this year! One reason for this housing boom is the overall strength of the state's economy and the high level of population in-migration to Oregon in the past two years, particularly from California. While many of these recent immigrants may have been lured by plentiful job opportunities, a large number may have come seeking a low cost, high quality retirement setting. In the October 1989 issue of *American Demographics* magazine Oregon is cited as one of ten states that is benefiting greatly from the influx of elderly migrants during the 1985 to 1990 period. Recent estimates from Portland State University's Center for Population Research and Census indicate that Oregon's total population grew by 50,000 between mid-1988 and mid-1989, with net migration to Oregon contributing 33,500 of this growth. A similar increase also occurred in 1987-88.

Strong population and overall economic growth plus continued expansion of Oregon's tourism-related industries provided the catalyst for large employment gains in trade and services. Although the rate of growth in the large business services sector was the slowest in 1989 (about 3.1%) since 1982, medical services demand and employment continues to mushroom, including both hospitals (+5.9%) and other medical services (+8.4%).

Oregon's tourism industry experienced another good year in 1989 although labor shortages limited employment gains in some areas during the peak season. Preliminary data for the first eleven months of 1989 indicate that employment rose 4.1% in eating and drinking places, was flat in hotels and other lodging places, and was up about 1% in amusements and recreation services. At a time when many areas of the nation are seeing a decline in visitor business, Oregon continues to see some growth in this industry. From room tax revenues to parks and commercial lodging occupancies to travel inquiries in the State Tourism Division, visitor activity was very busy in Oregon during 1989. Although a current lack of snow is hurting prospects for this winter's ski season, state tourism officials and industry representatives predict steady growth for tourism into 1990 and the coming decade. If Oregon's unemployment rate continues to fluctuate in the low 5% range, however, this year's labor shortage may well grow more acute in the next few years. Since housing availability is often an issue, the recent and upcoming increases in the state's minimum wage may not by themselves resolve the labor shortage problem.



FOREIGN TRADE THROUGH OREGON
Commodity Exports and Imports



CONSTRUCTION WINS; L&W LOSES IN 1989
Annual Average Employment

Another important economic sector in Oregon is agriculture, especially for the nonmetropolitan areas of the state. The Oregon State University Extension Service recently announced that Oregon agriculture turned in another record year in 1989 with gross farm sales up about 6% to reach $2.5 billion. Two-thirds of these sales came from crops and one-third from animal products.

> ***. . .Oregon agriculture turned in another record year in 1989 with gross farm sales up about 6% to reach $2.5 billion.***

The major contributors to strong 1989 sales were nursery crops, logs from small woodlots, vegetables, eggs and poultry. Sales of specialty products jumped 24% with half of this total coming in sales of logs from small woodlots. The value of log sales increased 50% in 1989 as small woodlot owners benefited from the spotted owl controversy that restricted the supply of federal timber.

But 1989 was not profitable for all crops. Strawberries and other labor intensive crops were especially hurt. Last February's deep freeze and heavy spring rains damaged many crops, and shortages of seasonal farm labor forced strawberry growers to reduce their plantings.

Despite some exceptions, economic conditions were generally quite favorable in 1989, and net farm income is expected to reach the $1 billion mark in Oregon, a new record high. The current strength in Oregon's agricultural economy is not only broadly-based throughout the diversified commodity mix at the farm and ranch level, but also extends to the agricultural processing and farm input sectors as well, according to the Extension Service. The current situation of overall balance between supply and demand is a dramatic improvement from the conditions that plagued this industry in the mid-1980s.

In closing, we can sum up Oregon's economic performance in 1989 as another banner year despite slower overall growth, upheaval in the timber supply situation, more workers on strike, and growing labor shortages. The unemployment rate reached the lowest level in two decades, and more Oregonians were working than ever before. The question now is how much longer can this record-setting expansion continue? The answer will depend heavily on the ability of the Federal Reserve to steer the nation's increasingly vulnerable economy between the shoals of recession and inflation. ☐

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Oct.[2] 1989	Sep.[3] 1989	Oct. 1988	Oct.[2] 1989	Sep.[3] 1989	Oct. 1988	Oct.[2] 1989	Sep.[3] 1989	Oct. 1988
TOTAL MANUFACTURING[4]	$435.77	$429.76	$425.97	40.2	39.5	40.3	$10.84	$10.88	$10.57
Durable Goods	447.41	440.82	439.56	40.6	39.5	40.7	11.02	11.16	10.80
Lumber & Wood Products	447.43	431.84	447.70	40.2	38.8	40.7	11.13	11.13	11.00
Logging & Sawmills	483.57	466.85	488.72	40.5	39.1	41.0	11.94	11.94	11.92
Veneer & Plywood	443.90	412.94	436.89	40.8	38.2	41.1	10.88	10.81	10.63
Millwork & Structural	359.14	365.50	352.84	38.7	38.8	39.6	9.28	9.42	8.91
Mobile Homes	355.04	334.13	331.57	38.3	36.2	38.6	9.27	9.23	8.59
Other Wood Products	430.00	412.34	425.58	40.3	38.9	41.0	10.67	10.60	10.38
Furniture & Fixtures	385.52	381.57	357.20	39.5	39.5	38.7	9.76	9.66	9.23
Primary Metals	492.88	495.28	505.66	40.4	41.0	42.6	12.20	12.08	11.87
Fabricated Metals	399.52	402.11	383.27	39.4	39.5	39.8	10.14	10.18	9.63
Machinery (Ex Electrical)	442.89	446.63	447.84	39.9	39.7	41.2	11.10	11.25	10.87
Nondurable Goods	408.33	400.70	392.42	39.3	39.4	39.4	10.39	10.17	9.96
Food & Kindred Products	329.26	324.92	316.34	38.6	39.1	39.2	8.53	8.31	8.07
Canning & Preserving	287.21	280.41	278.56	38.5	39.0	39.4	7.46	7.19	7.07
Other Food Products	408.56	420.33	389.71	38.8	39.1	38.7	10.53	10.75	10.07
Textile Mill Products	269.31	253.11	235.32	37.3	35.8	35.6	7.22	7.07	6.61
Apparel	274.19	266.93	242.74	40.5	39.9	38.9	6.77	6.69	6.24
Paper & Allied Products	662.70	634.82	675.83	42.7	41.6	43.8	15.52	15.26	15.43
Printing & Publishing	482.73	482.73	435.71	38.1	38.1	36.4	12.67	12.67	11.97
Construction[4]	560.12	561.30	528.17	38.0	37.9	37.3	14.74	14.81	14.16
Communications & Utilities[5]	549.40	541.78	531.70	41.0	41.2	40.9	13.40	13.15	13.00
Trade[5]	325.85	325.14	313.82	35.0	34.7	34.6	9.31	9.37	9.07
Wholesale Trade	439.37	430.92	424.15	39.3	37.8	38.7	11.18	11.40	10.96
Retail Trade	266.51	269.28	259.50	32.7	33.0	32.6	8.15	8.16	7.96
Banking & Insurance[5]	367.22	347.64	358.27	38.9	37.3	38.9	9.44	9.32	9.21
State & Local Government	401.08	421.14	382.45						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

INDEX OF ARTICLES - 1989 OREGON LABOR TRENDS

John Jagosh

New Unemployment Estimating Method

Discusses previous method for estimating unemployment rates around the nation, and describes the new regression analysis method to be used beginning February 1989; Jan., page 4.

WARN--A New Law

Summarizes the new Worker Adjustment and Retraining Act (WARN) which requires employers to give a 60 day notice before closing a plant or conducting a mass layoff; Jan., page 4.

The 1989 Economic Outlook

After a banner year in 1988 Oregon's economy will continue to grow, although at a slower rate. Oregon's number one industry, lumber and wood products, will face a number of problems including weaker demand, higher costs, and a growing shortage of timber supplies; Jan., page 6.

Job Growth Revised Upward

The 1988 benchmark revisions of 1987 and 1988 employment data resulted in significantly stronger growth than earlier estimated. Annual average employment for 1987 was revised upward by 6,100 (+0.6%), while the 1988 average increased by 11,700 (+1.0%) to a new all-time record; Feb., page 10.

Employment in Oregon--The New Diversity

Looks at industrial diversification and employment trends in the 1970s and 1980s, and discusses some implications for economic development efforts; March, page 1.

The Myth of Low-Paying Jobs

Offers another perspective on the low-wage jobs theory. While industry data suggests that most of the new jobs created in Oregon since 1982 have come in the low-paying service sector, occupational analysis indicates that most have been relatively well-paying professional and technical jobs; March, page 7.

EDWAA--Retraining For Dislocated Workers

Summarizes the Economic Dislocation and Worker Adjustment Act (EDWAA) which helps retrain workers who are dislocated due to layoffs and plant closures; March, page 10.

The Oregon Strategic Plan For Economic Development

First part of an article discussing Governor Goldschmidt's organization of planning committees to research and discuss how Oregon should shape its future; April, page 4.

The New Diversity--Impact on Earnings

Discusses causes of Oregon's 1988 average hourly earnings for manufacturing workers being at a twenty-year low of $10.64/hr.; April, Page 10.

Unemployment Rates by State--1988

Compares Oregon's unemployment trends with the rest of the United States; May, page 6.

Minimum Wage Change Comes to Oregon

Discusses a bill introduced in the Oregon Legislature that would raise the minimum wage by more than 40 percent over the next three years affecting six percent of the wage and salary employment in the state; May, page 7.

A House Afire: The Economic Impact of the Arts

The arts industry is rising rapidly in Oregon with revenues increasing 26 percent between 1985 and 1987 to an estimated $42.5 million. Its overall impact depends on how broadly "art" is defined; June, page 4.

The Oregon Strategic Plan for Economic Development

Second part of an article summarizing Governor Goldschmidt's strategic plan to keep Oregon internationally competitive, including plans to improve workforce quality and enhance Oregon's environmental quality; July, page 5.

Oregon Receives Funds to Help Dislocated Workers

Oregon receives a $1 million federal grant to assist wood products workers who have lost their jobs; July, page 7.

Hours and Earnings--Construction Wages Boom

Mid-year review of hours and earnings trends by industry for the first half of 1989 versus 1988. Construction (weekly earnings up 10%) and paper and allied products (weekly hours at record high) stand out; Aug., page 6.

Per Capita Personal Income, 1988

While Oregon improved its ranking among the states in per capita personal income in 1988, its PCPI remained about 9% lower than the U.S., Aug. page 7.

Temporary Help Workforce Soars During Recovery Years

Discusses the significance of the explosion in temporary employment and its impact on the labor force; Sept., page 1.

Minimum Wage Update

Highlights Oregon's new minimum wage law including hourly wage increases, effective dates, and changes in coverage; Sept., page 5.

Employee Earnings--Regular Wages vs. Other Cash Payments

Discusses the results of a recent employer survey regarding trends in non-wage income such as profit sharing and bonuses; Sept., page 6.

Average Annual Pay by State and Industry, 1988

Average annual pay increased in all states between 1987 and 1988. Oregon's improvement was less than the U.S. but ahead of the inflation rate; Oct., page 5.

Feds Shop in Labor Surplus Areas

Employers in Oregon's 23 "labor surplus areas" are eligible for preference in bidding on certain federal contracts worth approximately $2.5 billion each year; Nov., page 5.

Autumn Leaves

Discusses average hours and earnings trends in Oregon over the past three years; Nov., page 5.

1989--In Like an Owl...Out Like a Lamb?

Despite slower growth, timber supply problems, and more workers on strike, 1989 was a very good year for Oregon's economy; Dec., page 1.

Employers' Corner

Employment Eligibility Verification-A New Service to Employers; Feb., page 12 and June, page 6.

It's Your Tax Dollars; March, page 12.

Division Services to Employers; April, page 12.

Adult Education and Literacy; July, page 8.

Literacy Conference; Aug., page 5.

Taxing Matters; Sept., page 8.

Employment Division Gets New Leader; Oct., page 8. ☐

JTPA PROGRAMS PUT OREGONIANS TO WORK

More Oregonians are working today than ever before, but for many citizens that is a mixed blessing. For young people and adults who lack basic academic skills, who live in poverty, or whose skills are no longer needed in the workplace, the turn-around in the economy brings only more frustration. Oregon's Job Training Partnership Act (JTPA) programs are the way into the workplace of the 1990s for many of these people.

JTPA programs offer a great variety of services to both individuals and to businesses. JTPA programs frequently work in partnership with school districts, community colleges, the Employment Division, Adult & Family Services Division, and many other local groups to give clients the services they need. In general, eight out of every ten adults are placed in jobs, with nearly all of them finding work in private businesses.

Young people who come from low income homes and who are at risk of dropping out of school or being unemployed for a long period of time find many JTPA services open to them. These are offered through summer and year-round programs and special projects. Services may include basic skill training in areas such as reading, writing, speaking, and math; vocational classroom training; on-the-job training; and work experience. Counseling (personal and career) and help with basic medical needs and transportation can be provided while a person is enrolled in a JTPA training program.

The changing Oregon economy has created many new jobs and eliminated others. As plants close and jobs are lost, workers can become "dislocated." A dislocated worker is someone who has lost a job and who is not likely to be able to find a new one in the same occupation or industry.

JTPA services bridge the gap between job loss and a new job. Services available to workers include: early action plan assistance; career counseling; testing and assessment, job search and resume training; vocational classroom training; on-the-job training; basic skill training and GED preparation; support services; relocation and job placement assistance.

Each individual receives training designed to meet his or her own needs, skills, and interests. Through testing and assessment, a training plan is developed which will lead to reemployment.

To learn more about JTPA programs and services, contact the JTPA office nearest you or the Job Training Partnership Administration in Salem:

JTPA Administration
155 Cottage St. NE
Salem, OR 97310
Phone (503) 373-1995 □

"OREGON CAREERS 1990"

Interviews with five Oregon businesses highlight **Oregon Careers 1990**, a tabloid newspaper recently published through the Employment Division. **Oregon Careers 1990** describes technological and workplace changes in these firms as the state's economy and labor force continue to evolve.

"Oregon Careers" is published annually to assist citizens of all ages who are making career plans and decisions. It includes employment outlook, wages, educational requirements, and sources of training for nearly 300 major occupations in the state. Other articles describe a variety of job search techniques and resources or programs that can assist Oregonians to prepare for their first or latest occupation.

Copies of "Oregon Careers" are routinely distributed to high schools, community colleges, Job Training Partnership offices, and Employment Division offices. Additional copies may be obtained by contacting Susan Bell, Research and Statistics Section, Employment Division, 875 Union Street NE, Salem, Oregon 97311. Telephone 378-6400 or toll free 800-237-3710 ext. 8-6400. □

LMI LABOR MARKET INFORMATION

STATE OF OREGON

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JANUARY 1990

OREGON LABOR TRENDS

State of Oregon • Employment Division • Department of Human Resources

BACK IN DECEMBER'S SHADOW

Duane Ackerson

On January 27, my family celebrated the Chinese New Year at a highly recommended Cantonese restaurant called the "Looking Back Garden Restaurant." We had just seated ourselves there, anticipating an excellent dinner, when the waiter appeared at our table carrying our bill and a large bowl heaped high with fortune cookies.

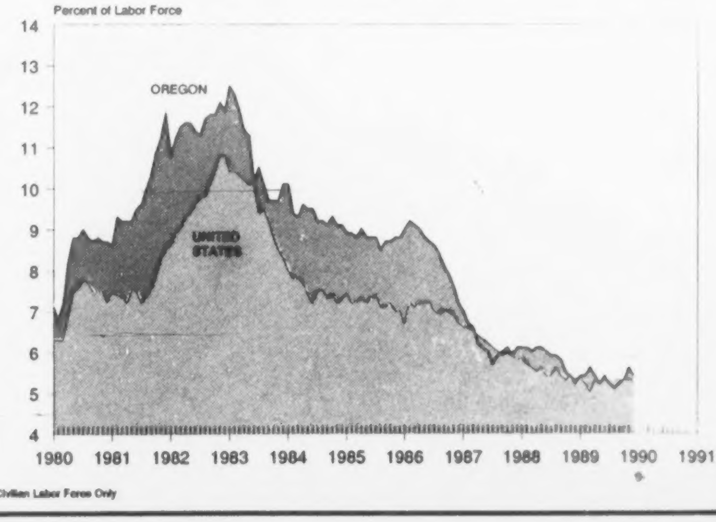
For a moment I was startled at being offered the conclusion of the meal first, and then remembered our friends saying that the name of the restaurant was quite appropriate, and that we should expect to have our meal served in reverse. I was astounded to discover that the bill for the meal we had not yet ordered reflected exactly what we would have asked for, given the opportunity.

The first cookie, which my wife opened, said: "Sometimes the past is almost as elusive as the future." The second cookie, opened by my daughter, read : "'The Tigers of Wrath are wiser than the Horses of Instruction'-- William Blake, *Songs of Innocence and Experience*." After that, the main course arrived, and we started in on it. However, since the fortune cookies were situated near me, I found myself idly opening one after another as the meal proceeded. Here, in the random order in which these missives were opened, was what I read:

Third cookie:

December 1989 was, generally speaking, a good month. The seasonally adjusted measure of employment, the nonagricultural wage and salary employment index, took a major upward leap of 0.7 from 129.1 in November to 129.8 for the current month. The strong showing for this index is a sign that the economy was growing at a particularly healthy pace in December. The index was up because the increase in payroll jobs was higher than expected over the month due, in part, to settlement of the Boeing strike.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



Civilian Labor Force Only

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Dec.	1989	5.4
Nov.	1989	5.6
Dec.	1988	5.2

United States (Seas. Adj.)

Dec.	1989	5.3
Nov.	1989	5.3
Dec.	1988	5.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

Dec.	1989	129.8
Nov.	1989	129.1
Oct.	1989	128.6
Sept.	1989	128.0
Aug.	1989	127.8

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Nov.	1989	$10.85
Oct.	1989	$10.82
Nov.	1988	$10.65

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Nov.	1989	38.8
Oct.	1989	40.2
Nov.	1988	39.2

CONSUMER PRICE INDEX (CPI)

1982-84=100

ALL URBAN CONSUMERS

Portland-Vancouver

Jan.-June 1989	119.3
Yearly change	5.0%
Annual Average 1988	114.7
Yearly change	3.4%

United States

Dec. 1989	126.1
Yearly change	4.6%
Annual Average 1989	124.0
Yearly change	4.8%

Portland Hotline 221-4132

Fourth cookie:

Nonfarm payroll employment reached 1,222,500, which was down 1,900 from November. This payroll level was 28.9 percent higher than the worst December of the 1980-82 recession, December 1982, with nonfarm wage and salary employment of 948,300.

Fifth cookie:

The U.S. seasonally adjusted unemployment rate in December, at 5.3, was unchanged from November's rate. Meanwhile, in Oregon, the seasonally adjusted unemployment rate, at 5.4, was down 0.2 from November's revised rate, though also a slight two-tenths of a point higher than the 5.2 rate registered in December 1988.

An area of services showing particular strength was health services. . .

The messages after that grew increasingly wordy. Locating my reading glasses, I dove into the content of the sixth cookie:

Total manufacturing employment, at 215,900, was down 1,500 from November. Within manufacturing, lumber and wood products lost fewer workers than expected at this time of year, only declining 700 overall from November. A few mills reopened, increasing employment in veneer and plywood by 200, and millwork and structural wood was also up by a comparable amount. Logging operations contributed most to the decline in lumber and wood products losing 1,000, over twice the expected decrease, as several logging operations cut employment or shut down early due to low timber contract volume. Within durable goods, the other durables sector, the portion that remains once lumber and wood products is excluded, was up 1,800, assisted in large part by the return, after resolution of a labor dispute, of 1,700 Boeing workers employed in a machining operation in Portland.

Seventh cookie:

Total nonagricultural wage and salary employment was 39,200 above December 1988. The nonmanufacturing sector, at 1,006,600, accounted for 36,000 of the increase, with manufacturing providing the balance. Within nonmanufacturing, construction lost 1,600 instead of the 1,800 that would have been par for the season. Construction has enjoyed a good year; its December level was 3,000 higher than in December 1988. Trade reflected a strong Christmas season, gaining 3,200 overall, with 500 of this from wholesale and 2,700 from retail. About half the gain in retail trade (1,300) came from the sector most likely to be impacted by Christmas buying, general merchandise. However, people were a little less likely to find a car with a bow under the Christmas tree; auto dealers and service stations declined in employment by 200. Christmas shoppers also did not find a white Christmas on their list; though amusement and recreation services were up by 400, this gain was less than expected due to skimpy amounts of snow in ski areas. Services were down by 1,000, rather than the expected 1,700, in December. An area of services showing particular strength was health services, up by 500 jobs.

Eighth cookie:

Within government, the federal government showed a good December gain in its U.S. Postal Service, up by 400. This increase reflects additional temporary help hired to assist with the Christmas-related deluge of cards, letters, and packages, including the increased mailings to the North Pole.

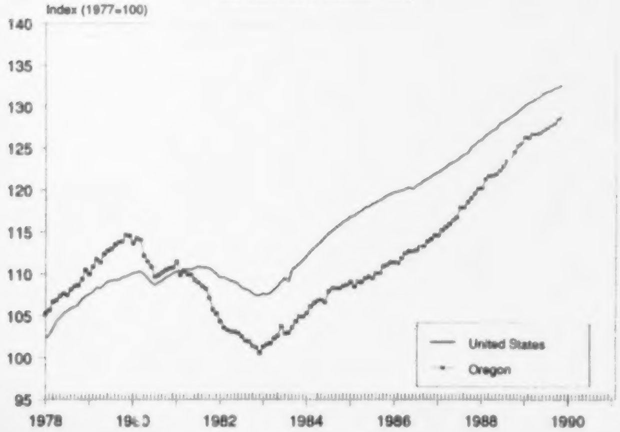
Ninth cookie, perused while sipping wonton soup:

The bill you received earlier was for the meal. You are now about to receive a bill for this order of fortune cookies. Though it may seem a bit excessive, keep in mind that, in a sense, you have consumed the equivalent of 9 Chinese dinners, since patrons are normally allowed only one cookie per meal. And remember, too, that though your appetite for fortunes may be somewhat jaded at this time, you are about to receive one complimentary future along with these messages from the past. We predict that when you leave, you will receive a novel treat as you pay, a rare souvenir calendar from "The Year of the Groundhog."

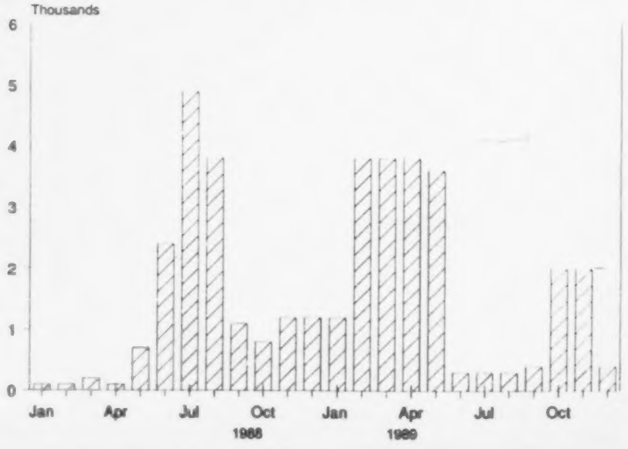
As we were going, my wife remarked, "I thought this was the Year of the Horse?" Scratching our heads, and considerably lighter about the billfold, we exited, just as the waiter was pouring water and tea and placing our menus on the table. Out on the sidewalk, I was startled to see my shadow, looking as long as a Chinese New Year's dragon, in back of me. I had expected it to be darker outside by this time, and there weren't any streetlights nearby to help produce an artificial shadow. Then, I thought of something Confucius might have said in an off-moment. "History casts a deep shadow, but the events of the recent past cast, at times, a longer one. For history is always at high noon, its shadow short but concentrated, while the passing show is all over the place."

We got in our '71 Datsun and drove away from the Looking Back Garden Restaurant. □

NONFARM WAGE & SALARY EMPLOYMENT INDEXES
(SEASONALLY ADJUSTED)



OREGON WORKERS ON STRIKE



RESIDENT OREGON LABOR FORCE

	DEC.[1] 1989	NOV.[2] 1989	CHANGE	%CHANGE	DEC.[5] 1988
CIVILIAN LABOR FORCE[3]	1,420,100	1,424,000	-3,900	-0.3	1,414,300
UNEMPLOYMENT	72,300	73,200	-900	-1.2	69,300
PERCENT OF LABOR FORCE	5.1	5.1	XXX	XXX	4.9
SEASONALLY ADJUSTED PERCENT	5.4	5.6	XXX	XXX	5.2
TOTAL EMPLOYMENT[4]	1,347,800	1,350,800	-3,000	-0.2	1,345,000

[1] *Preliminary.*

[2] *Revised.*

[3] *Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.*

[4] *Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.*

[5] *Due to revised estimating procedures between December 1988 and January 1989, data for 1989 and that of previous years are not strictly comparable.*

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	DEC.[1] 1989	NOV.[2] 1989	DEC. 1988	NOV. 1989	DEC. 1988
TOTAL[3]	1,222,500	1,224,400	1,183,300	-1,900	39,200
WAGE & SALARY EMPLOYMENT INDEX[4]	129.8	129.1	125.7	XXX	XXX
TOTAL MANUFACTURING	215,900	217,400	212,700	-1,500	3,200
DURABLE GOODS	158,400	157,300	156,400	1,100	2,000
LUMBER & WOOD PRODUCTS	66,800	67,500	68,500	-700	-1,700
LOGGING & SAWMILLS	33,100	34,100	34,900	-1,000	-1,800
VENEER & PLYWOOD	16,500	16,300	16,800	200	-300
MILLWORK & STRUCTURAL WOOD	10,900	10,700	10,600	200	300
MOBILE HOMES	1,900	1,900	1,800	0	100
OTHER WOOD PRODUCTS	4,400	4,500	4,400	-100	0
FURNITURE AND FIXTURES	2,700	2,800	2,600	-100	100
STONE, CLAY, GLASS & CONCRETE	4,500	4,600	4,200	-100	300
PRIMARY METALS	11,500	11,300	10,600	200	900
BLAST FURNACES, IRON & STEEL	6,800	6,700	6,300	100	500
NONFERROUS METALS	4,700	4,600	4,300	100	400
FABRICATED METALS	10,600	10,700	11,800	-100	-1,200
FABRICATED STRUCTURAL METALS	4,300	4,400	5,200	-100	-900
OTHER FABRICATED METALS	6,300	6,300	6,600	0	-300
MACHINERY	18,600	18,500	17,500	100	1,100
ELECTRICAL EQUIPMENT & SUPPLIES	17,600	17,500	16,100	100	1,500
TRANSPORTATION EQUIPMENT	11,600	9,600	10,100	2,000	1,500
INSTRUMENTS & RELATED PRODUCTS	11,000	11,000	11,500	0	-500
MISCELLANEOUS MANUFACTURING	3,500	3,800	3,500	-300	0
NONDURABLE GOODS	57,500	60,100	56,300	-2,600	1,200
FOOD & KINDRED PRODUCTS	21,800	24,400	21,900	-2,600	-100
CANNING & PRESERVING	9,900	12,200	10,300	-2,300	-400
OTHER FOOD PRODUCTS	11,900	12,200	11,600	-300	300
TEXTILE MILL PRODUCTS	1,700	1,700	1,700	0	0
APPAREL	2,700	2,600	2,700	100	0
PAPER & ALLIED PRODUCTS	9,100	9,100	8,400	0	700
PRINTING & PUBLISHING	14,100	14,100	13,800	0	300
CHEMICALS & ALLIED PRODUCTS	2,300	2,300	2,200	0	100
PETROLEUM REFINING	500	500	500	0	0
RUBBER & PLASTIC PRODUCTS	4,800	4,800	4,600	0	200
LEATHER PRODUCTS	500	600	500	-100	0
TOTAL NONMANUFACTURING	1,006,600	1,007,000	970,600	-400	36,000
MINING & QUARRYING	1,400	1,500	1,400	-100	0
CONSTRUCTION	43,100	44,700	40,100	-1,600	3,000
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	65,900	64,600	62,300	1,300	3,600
TRANSPORTATION	43,900	42,700	40,900	1,200	3,000
RAILROAD	3,700	3,800	3,800	-100	-100
TRUCKING & WAREHOUSING	24,800	23,800	22,800	1,000	2,000
OTHER TRANSPORTATION	15,400	15,100	14,300	300	1,100
COMMUNICATIONS	12,900	12,900	12,600	0	300
UTILITIES	9,100	9,000	8,800	100	300
TRADE	324,100	320,900	307,200	3,200	16,900
WHOLESALE TRADE	80,500	80,000	75,200	500	5,300
DURABLE GOODS	47,200	46,800	44,000	400	3,200
NONDURABLE GOODS	33,300	33,200	31,200	100	2,100
RETAIL TRADE	243,600	240,900	232,000	2,700	11,600
GENERAL MERCHANDISE	35,100	33,800	32,700	1,300	2,400
FOOD STORES	41,100	40,300	38,900	800	2,200
AUTO DEALERS & SERVICE STATIONS	28,300	28,500	27,600	-200	700
OTHER RETAIL TRADE	139,100	138,300	132,800	800	6,300
FINANCE, INSURANCE, & REAL ESTATE	75,500	75,400	74,300	100	1,200
BANKING & CREDIT AGENCIES	23,500	23,600	23,700	-100	-200
OTHER FINANCE, INSURANCE, & REAL ESTATE	52,000	51,800	50,600	200	1,400
SERVICES	276,000	277,000	268,300	-1,000	7,700
HOTELS & PERSONAL SERVICES	27,500	27,900	26,900	-400	600
HEALTH SERVICES	85,700	85,200	79,800	500	5,900
OTHER SERVICES	162,800	163,900	161,600	-1,100	1,200
GOVERNMENT	220,600	222,900	217,000	-2,300	3,600
FEDERAL GOVERNMENT	32,100	32,000	32,500	100	-400
STATE GOVERNMENT	59,400	60,100	59,600	-700	-200
EDUCATION	25,500	25,800	25,200	-300	300
OTHER STATE	33,900	34,300	34,400	-400	-500
LOCAL GOVERNMENT	129,100	130,800	124,900	-1,700	4,200
EDUCATION	82,300	83,900	79,900	-1,600	2,400
OTHER LOCAL	46,800	46,900	45,000	-100	1,800
LABOR – MANAGEMENT DISPUTES	400	2,000	1,200	-1,600	-800

[1] *Preliminary.*

[2] *Revised.*

[3] *Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*

[4] *Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

1990 OUTLOOK - IS THE PARTY OVER?

Jeff Hannum

Although Santa Claus is long gone, leaving a trail of monthly statements in his wake, most Oregonians continue to enjoy the gift of economic health as a new year and new decade dawns.

As reported in last month's **Labor Trends**, 1989 was a banner year! In fact, 1988 and 1989 were the two best years of the 1980s, a decade of contrasts marked by the longest and deepest recession in Oregon (1980-1982) and also the longest peacetime economic expansion (1983-?). The state's unemployment rate dropped for the seventh straight year in 1989 to the lowest level in 20 years (about 5.4%), and employment grew faster than nationally for the fourth year in a row.

Based on preliminary estimates, Oregon's nonagricultural wage and salary employment grew by 4.7% in 1988 (third fastest in the nation) and by 3.7% in 1989 (ranking about eighth). Annual benchmark revisions of this payroll employment series have just been completed by Employment Division research staff. These indicate that Oregon's growth has been even stronger than originally thought (5.1% in 1988 and 4.4% in 1989). The largest upward revisions came in the booming construction industry and in services, especially business services, miscellaneous repair services, social services, and professional services. An article in next month's issue of **Labor Trends** will discuss the results of the 1988-89 industry employment revisions in more detail.

But while Oregon's past economic star glows even brighter, the outlook for 1990 is no super nova. Instead, we can expect much slower employment growth and probably the first annual increase in unemployment since 1982 as the state's population and labor force grow faster than total employment. Oregon's economy, however, should once again out-perform the nation which appears to be teetering on the brink of recession. If the nation's economy does go over the edge in 1990, and recent trends are not encouraging, Oregon's economy could weaken rapidly given its reliance on forest products and capital goods manufacturing.

Recent economic data confirm that the U.S. economy has slowed to a crawl. Although inflation remains mired in the 4 1/2 to 5% red zone, gross national product, the broadest measure of the nation's economic health, plummeted to only a 0.5% annual growth rate in the final quarter of 1989. For comparison, growth rates in the first three quarters of 1989 were 3.7%, 2.5%, and 3.0%. Special factors like Hurricane Hugo, the San Francisco earthquake, and the Boeing strike magnified the slump but the Commerce Department blamed the sharp drop primarily on lower consumer spending (especially for autos), a deteriorating trade deficit, and a slump in business investment spending. Other red flags include a rise in business inventories, weak corporate earnings, a softening labor market including steady job losses in manufacturing since last spring, rising inflation and interest rates abroad, and a major sell-off in the stock market during January. Meanwhile, the nation's unemployment rate, which is more of a lagging economic indicator, has been surprisingly stable at about 5.3% since last spring.

. . .the Fed may be unable to pull another rabbit out of the hat to avoid recession in 1990. . .

The nation's current economic malaise stems in large part from the Federal Reserve's efforts during 1988 and early 1989 to contain inflation by tightening credit. Just as the dollar's dramatic rise in foreign exchange value during the early 1980s led to low inflation and a ballooning trade deficit, the dollar's equally sharp drop in value between 1985 and 1988 set the stage for renewed inflation, slower import growth, and a boom in exports. The surge in foreign demand for U.S. exports coupled with more costly imports gave many manufacturing industries a new lease on life. Many factories operated at virtually full capacity, profits and employment rose, and business investment in new plants and equipment increased strongly. But midway through 1989, it was clear that the export-led booster shot to manufacturing was losing steam. As signs of growing weakness mounted, the Federal Reserve shifted last summer to a policy of lower interest rates to ensure that the economy's "soft landing" wouldn't degenerate into a full-blown recession. As a result, the prime interest rate that banks use as a benchmark for setting rates on a variety of other short-term loans has fallen from 11 1/2% last June to 10% this January.

So far, these rate declines have not been very effective and the economy has continued to lurch toward recession. The consensus forecast, however, has been that the Federal Reserve will ride to the rescue by pushing interest rates even lower in the first half of 1990 and that consumers, still fully-employed and undaunted by the growing signs of weakness, will continue to spend merrily away. As a result, the nation's economy will pull out of its tailspin during the first half of 1990, just in time to avert a recession, then slowly regain momentum after mid-year. Although this consensus scenario is still quite likely, recent events could soon transform this into the optimistic scenario.

The glitch in this outlook is twofold. First, domestic inflation is likely to get worse rather than better in early 1990 as December's severe cold spell across much of the nation begins to boost fruit and vegetable and energy prices.

Also, tight labor markets and rising labor costs, especially for employee health insurance benefits, threaten to add further to inflationary pressures. This, together with current consumer and producer goods inflation rates in the 4 1/2 to 5% range, are not likely to encourage the Fed to provide much more economic stimulus.

Secondly, even if the Fed wanted to lower interest rates further, its hands may be tied by recent international events. Rising inflation overseas has caused Japan and key European nations to tighten credit. Since the U.S. is now so dependent on foreign investors to help finance its budget and trade deficits, long-term rates in the U.S. tend to rise along with the international competition. In short, it's a catch-22 that reflects our growing vulnerability to international economic forces. The realization that the Fed may be unable to pull another rabbit out of the hat to avoid recession in 1990 coupled with recent reports of growing weakness in many key indicators took a heavy toll on financial markets in January. Perhaps the most important question now for the 1990 outlook is how will the Fed and consumers respond to the pattern of conflicting and often negative economic trends over the next few months? Since consumer spending accounts for about two-thirds of the nation's total economic activity, the various indicators of consumer confidence, which have shown some erosion in recent months, may be the most important barometers to watch.

Regardless of whether the nation has a soft or hard landing in 1990, Oregon's economy should again fare better than the U.S., even though it will slow. Rapid population in-migration during the past couple of years is expected to continue through at least 1990 providing an added boost to many economic sectors including residential and nonresidential construction, trade, and a wide range of services. Although hard data are not available, it is likely that most of these new residents are either retirees, skilled workers, or entrepreneurs relocating small businesses to Oregon from other states like California.

International trade should be another net plus for Oregon in 1990. Although the peak of the export boom is past, foreign demand for the state's agricultural, forest, and manufactured products is likely to continue growing for the fourth straight year. Expectations of a stable to lower value for the dollar in 1990 due to the likelihood of lower U.S. interest rates should also help to boost Oregon's export sales.

One of the star performers in Oregon over the past two years was construction which experienced annual employment gains of about ten percent. In 1990 this industry will catch its breath. Employment may even slip a bit, despite the prospect of lower interest rates, as some large nonresidential projects are completed and the torrid pace of apartment construction slows, especially in the Portland area. Residential construction, however, will still be strong in 1990 due to favorable financial conditions, population growth, and low vacancy rates in many areas of the state. Other factors that will help to support current high levels of construction in Oregon are fabrication of oil and gas-handling modules for sealift to Alaska this summer and an increase in state highway work.

Despite weaker national and regional economic conditions in 1990, prospects for Oregon's tourism-related industries are good. As long as personal income, employment, and consumer confidence levels remain healthy, tourism will continue to grow. Recent population gains will also result in more intra-state travel and recreation as the trend towards more frequent short-duration trips continues.

There are other factors likely to boost tourism and trade-related industries this year. One is Washington State's promotion of its Goodwill Games which is likely to benefit mainly the I-5 corridor and the Oregon Coast. Another is the hefty income tax refund that many Oregonians will enjoy when they file their 1989 state tax return. Since Oregon's booming economy generated a lot more tax revenue last year than projected most of us will receive a 9.8% tax credit.

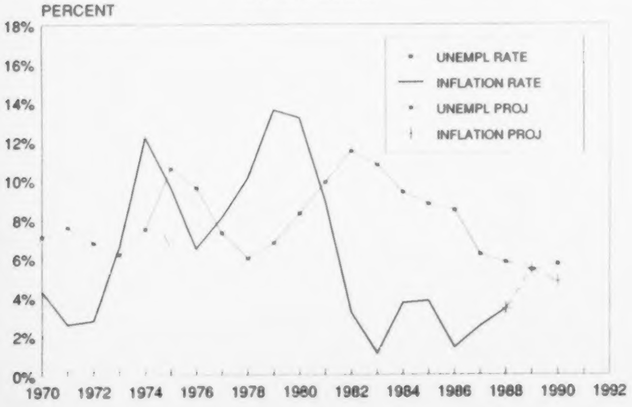
In addition to tourism, Oregon's large and diverse agricultural sector should also do well in 1990. Recent projections by agricultural economists at Oregon State University indicate that gross farm sales and net farm income in Oregon are likely to reach new highs this year, even though production costs will also rise. Although market prices for some farm commodities will soften as production levels increase in this cyclical and weather-sensitive industry, the most immediate areas of concern for agriculture are not directly market-related according to James Cornelius, an OSU agricultural economist. Instead, "apprehension is focused on the expanding degree of regulatory and consumer-driven input on food safety, chemical use, and natural resource management."

Oregon's economy this year will also get a boost of sorts from two unusual areas. First, 1990 is an election year. Among other things, this means that many industries will benefit, either directly or indirectly, from political campaign spending. Secondly, it is also the year of the 1990 decennial census. As a result, the federal government will hire several thousand "bean counters" to gather and process census data throughout the state. Most of this activity will fall between March and late summer.

While Oregon does have a number of positive influences to draw on in 1990, its economic Achilles' heel will once again be the lumber and wood products industry which employs about one-third of all manufacturing workers in the state. Those mills most dependent on federal timber sales could find themselves chainsawed by a combination of slumping demand and prices for finished wood products, declining log supplies, and higher operating costs, particularly for raw timber which is currently fetching record-high bid prices.

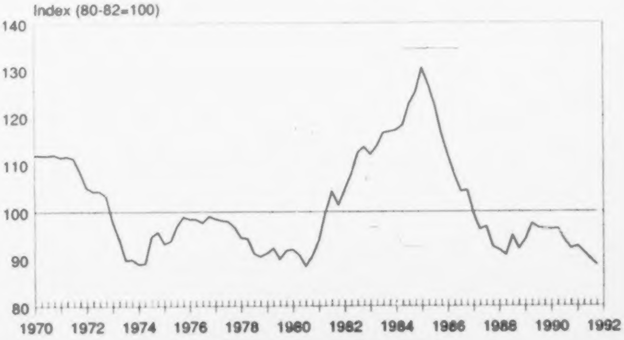
Although last fall's congressional compromise calls for a big increase in the volume of federal timber sales this year to at least partially make up for last year's low level, this is no panacea for the forest industry's long-term timber supply problem. Even if the U.S. Forest Service and BLM can meet the high timber sale targets required by congress, this only covers the FY 1989-90 period which expires at the end of September. Beyond that, the volume of federal timber sold in the next decade will depend mainly on the forest management plans now being finalized for the 13 national forests in Oregon (plans for BLM lands will be developed in the

INFLATION AND UNEMPLOYMENT RATES IN OREGON



INFLATION BASED ON PORTLAND CPI-U

REAL EXCHANGE RATE
U.S. DOLLAR VS 40 CURRENCIES
(USING REAL MORGAN GUARANTY INDEX, MG40)



DATA FOR 4TH QUARTER '89 THRU
4TH QUARTER '91 ARE PROJECTIONS

early 1990s) and annual budget appropriations for BLM and the Forest Service.

With respect to the new forest plans, we can probably expect a significant decline in federal timber harvests in most areas of the state. The amount of decline will also depend heavily on whether the northern spotted owl is formally listed as a threatened or endangered species by the U.S. Fish and Wildlife Service. A final decision is due by late June unless an extension is granted. Adding to the current uncertainty is the liklihood that many, if not all, of the "final" forest plans may be appealed. At this writing, all three of the final plans issued to date (Siskiyou, Fremont, and Ochoco) are being challenged.

Even after all the new forest plans are adopted, the final hurdle will still depend on annual appropriations and legislative directives from congress. As forest management issues involving timber harvests, recreation, wildlife and old-growth forest protection become more national in scope more limitations on sawtimber supplies are possible in the 1990s. The net effect of all these factors on the wood products industry, not only in 1990 but also during the next decade, is a growing cost-price squeeze that will take a significant toll on both the number of employees and employers. Based on the December 1989 Oregon Economic and Revenue Forecast prepared by the Executive Department's Office of Economic Analysis, the employment loss in just 1990 will be 2,600 in lumber and wood products.

Excluding wood products, the balance of Oregon's manufacturing sector should fare better. Employment gains will be much harder to come by, however, as the decline in corporate earnings and weaker national economy deflates capital spending on new plants and business equipment. Although Oregon's durable goods manufacturing industries primarily produce capital goods for sale to other businesses rather than consumer goods, employment levels this year at least are likely to be supported by several factors. These include good order backlogs (though these can be cancelled), the strength of the Boeing Company and commercial aircraft-related industries, foreign exports, and the generally longer lag times required by capital goods-oriented firms to complete projects already in the pipeline. The state's diversified electronics industry will probably exhibit a more schizophrenic pattern as some firms are able to achieve good success in this year's weaker and more competitive economy while other firms are forced to restructure and down-size their operations.

In summary, the nation's record-long economic expansion will face its stiffest test yet this year. If the Fed can pull off one more rabbit and if consumers remain even reasonably optimistic, this party might not be over in 1990. Whether it was or wasn't, however, we might not know it until the year 2000 when the government makes its "final" statistical revisions. ☐

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Nov.[2] 1989	Oct.[3] 1989	Nov. 1988	Nov.[2] 1989	Oct.[3] 1989	Nov. 1988	Nov.[2] 1989	Oct.[3] 1989	Nov. 1988
TOTAL MANUFACTURING[4]	$420.98	$434.96	$417.48	38.8	40.2	39.2	$10.85	$10.82	$10.65
Durable Goods	426.97	445.91	424.63	39.1	40.5	39.5	10.92	11.01	10.75
Lumber & Wood Products	429.96	448.54	421.76	38.7	40.3	38.8	11.11	11.13	10.87
Logging & Sawmills	457.82	483.57	449.28	38.7	40.5	38.4	11.83	11.94	11.70
Veneer & Plywood	423.65	445.26	417.59	39.3	41.0	39.1	10.78	10.86	10.68
Millwork & Structural	358.72	357.44	349.27	37.8	38.6	39.2	9.49	9.26	8.91
Mobile Homes	366.81	355.04	332.51	39.4	38.3	37.7	9.31	9.27	8.82
Other Wood Products	430.91	429.60	416.30	38.1	40.3	40.3	11.31	10.66	10.33
Furniture & Fixtures	386.54	398.60	328.61	38.5	39.9	37.3	10.04	9.99	8.81
Primary Metals	493.12	494.27	523.40	41.3	41.5	43.4	11.94	11.91	12.06
Fabricated Metals	399.60	398.50	386.28	39.1	39.3	39.7	10.22	10.14	9.73
Machinery (Ex Electrical)	440.43	445.20	441.29	39.5	40.0	39.9	11.15	11.13	11.06
Nondurable Goods	406.15	407.79	399.25	38.1	39.4	38.5	10.66	10.35	10.37
Food & Kindred Products	326.89	327.33	318.05	36.2	38.6	36.6	9.03	8.48	8.69
Canning & Preserving	265.30	284.52	261.85	34.1	38.5	35.1	7.78	7.39	7.46
Other Food Products	412.11	410.01	402.62	39.1	38.9	38.9	10.54	10.54	10.35
Textile Mill Products	260.25	266.81	251.62	36.5	36.6	36.1	7.13	7.29	6.97
Apparel	270.50	274.19	248.79	40.8	40.5	37.3	6.63	6.77	6.67
Paper & Allied Products	640.85	665.95	669.86	42.3	43.3	45.2	15.15	15.38	14.82
Printing & Publishing	454.71	482.22	436.64	36.7	38.0	36.6	12.39	12.69	11.93
Construction[4]	534.55	558.98	475.57	35.9	38.0	33.8	14.89	14.71	14.07
Communications & Utilities[5]	545.90	552.68	551.77	41.2	41.0	41.3	13.25	13.48	13.36
Trade[5]	316.11	323.52	300.16	34.1	34.9	33.5	9.27	9.27	8.96
Wholesale Trade	424.50	435.57	401.39	37.6	39.1	37.2	11.29	11.14	10.79
Retail Trade	262.76	266.34	252.17	32.4	32.8	31.8	8.11	8.12	7.93
Banking & Insurance[5]	351.25	369.76	336.70	36.1	38.8	37.0	9.73	9.53	9.10
State & Local Government	399.35	401.96	374.00						

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[1] Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

[2] Preliminary

[3] Revised

[4] Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

[5] Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

THE 1990S JOB REVOLUTION . . . FACING THE FACTS

Dorothy Monnier

(Editor's note: This article discusses the workforce crisis that threatens America and highlights one community effort that is addressing this critical issue.)

In 1987, a study prepared for the U.S. Department of Labor, *Workforce 2000* warned the nation that a crisis of workforce quality was at hand, a crisis that would threaten the very foundation of the American economy. Today, demographic trends, technological change, and increased international competition already are creating shortages of skilled workers and an excess of unskilled workers.

The skills of our workforce have not kept pace with the more complex jobs found in today's economy.

The skills of our workforce have not kept pace with the more complex jobs found in today's economy. This skills gap must be bridged if our remarkable economic expansion is to continue, and if we are to succeed in the ever more competitive global marketplace.

This workforce crisis will require the attention of communities, businesses, labor unions, parents, teachers, students, and all levels of government.

Due to the far-reaching effects of the American workforce crisis, a Commission on Workforce Quality and Labor Market Efficiency was established by the Secretary of Labor in July 1988. Its charge was to make specific recommendations to the U.S. Department of Labor on ways to increase the excellence of the American workforce.

On September 1, 1989, the Commission presented its findings and recommendations to Labor Secretary Elizabeth Dole in a report entitled *Investing in People - A Strategy to Address America's Workforce Crisis*.

. . . education, training, and retraining are the essential keys to building a quality workforce.

The Commission's report leaves no doubt that education, training, and retraining are the essential keys to building a quality workforce.

Quoting Secretary of Labor Elizabeth Dole, "Many of our youth desperately need basic skills training, literacy, remedial education, counseling. How else will we break the cycle of unemployment and despair and arm our youth not just with a job, but with the independence, the self-respect, the skills necessary for a lifetime of productive work?"

While the Commission came up with a total of 44 key recommendations, we have selected a few samples:

- Improve the Job Training Partnership Act by targeting its resources on those most in need of remedial education.
- Develop a coherent system for post-secondary education and training for adults already in the workforce.
- Ease conflicts between work and family.
- Insure adequate child care for low-income parents.
- Establish school-based employment services between state Employment Security Agencies and Private Industry Councils (PICs), with direct connection to employers.

The Commission makes many more important recommendations that will receive careful consideration at the highest level of government.

The challenges facing all of us are:

- Who will train the workers of the future?
- Where will the money be found for placement and training programs?

One Community's Response

While national leadership and commitment of resources will be needed to build a quality workforce in the 1990s, the key to success is strong local involvement and cooperation between employers, schools, state and local governments, and the tax-paying public. An example of how one community is addressing the workforce quality issue is the Salem/Keizer Community Youth Employment Program.

At the end of 1988-89, the five Salem area high schools, Chemeketa Community College - High School Completion Program, the Oregon State Employment Division, and the Mid-Willamette Jobs Council initiated a Summer Work Experience Program at the Salem Downtown Learning Center. Initially, the program was created to allow 50 credit-deficient high school seniors to earn credits and graduate with their classmates. They were given the opportunity to attend three weeks of hands-on job awareness workshops. By attending all of these workshops, the credit-deficient students would receive credits towards their diplomas.

The program exceeded its projections. Sixty students successfully completed the program earning 1/2 to 2 credits each. Eighty-five percent of the students (60 out of 71) who were enrolled earned credits.

In order to gain work experience credit, students were required to complete various job-related assignments. After the assignments were satisfactorily completed, the total credits earned were determined by the total amount of hours worked. Sixty-six employers signed agreements to participate in the program. Nine employers employed more than one student and some students had more than one job.

During the 1989-90 academic year, the program added a Youth Employment Series. For three weeks students attended training sessions on Tuesday evenings from 6:30 - 8:00 p.m. The first session included a panel of local employers who told the youth what they were looking for when hiring new employees and the importance of job performance and communication skills. This session also included job search, interviewing techniques, and resume writing components.

The second session featured hands-on technical skill training. The training was held in the training center of a local department store with store personnel providing the instruction in such areas as cash register operation, credit-card transactions, and making correct change.

The third session provided information on the availability of jobs for youth in the local area, current demand occupations and projections of future demand, and job-related requirements.

Upon completing the 3-part series, students received a "Card of Completion" that can be presented to potential employers. The Salem-Keizer school district has proposed that this training series become a requirement of students enrolled in area high school career classes. Local initiatives such as the Salem-Keizer Community Youth Employment Program can and do make a valuable contribution toward the goal of building a quality Oregon workforce in the 1990s. □

NEW LMI PUBLICATION

Ken Lux

Question: What single publication produced by the Oregon Employment Division provides the most complete and detailed listing of employment and payroll information at the county and statewide levels?

Answer: **Oregon Covered Employment and Payrolls by Industry and County.** This annual publication is designed to meet the needs of students, business leaders, economic analysts, and a host of others in both the public and private sectors. The purpose of this article is to introduce those readers of **Oregon Labor Trends** who are not familiar with all of the information available through the Employment Division to another valuable source of labor market information.

The Covered Employment and Payrolls (CE&P) publication is compiled and published by the Covered Employment and Payroll (ES-202) unit of the Oregon Employment Division's Research and Statistics section. Unlike other data sources that use sample-based surveys to produce employment, payroll, or occupational estimates, CE&P draws its information directly from the quarterly tax reports filed by all employers covered by Oregon unemployment insurance (UI) tax law. Also included is information gathered from federal, state, and local government agencies.

The data is classified according to ownership (i.e., private vs. public), county location, and industry using the 1987 Standard Industrial Classification (SIC) Manual. The information is summarized and presented in a series of tables. Where required by Employment Division law regarding confidentiality, some data has been suppressed to prevent the publication of any information that could be identified with any individual firm.

As an introduction to the tabulated data, a description of the nature and limitation of the data is provided. Included in this section is a brief description of the SIC manual and changes in UI coverage that have occurred over time. Also included is information designed to assist the user of the data in drawing accurate conclusions when making year-to-year comparisons.

The coverage section of the publication is designed to identify those areas of Oregon's economy not covered by UI law and, therefore, not included in the summary data. This non-covered employment encompasses a small but varied portion of the economy. For example, the self-employed, certain agricultural, casual, and domestic employees are not covered. Also included in this category are, to name a few, minor children employed by a parent, elected officials, and members of the clergy. Another large group of workers not covered are those who derive their income solely from commission sales, which includes many real estate, securities, and insurance salespeople, and brokers.

Since accurate and current data is important to users, the Covered Employment and Payroll unit surveys one-third of all employers doing business in the state each year. The purpose of the survey is primarily to verify the industry code (SIC) assigned to represent what the firm does and to verify the location where the work is performed.

Also, since many large employers in Oregon have branch outlets, a supplemental report is required of these employers. Through the information provided by this report it is possible to identify where the employment is located for each branch. Without the report, the employment and related payroll levels in the larger counties where corporate headquarters are usually located would be disproportionately overstated. The opposite would be true of the other, smaller counties.

The data is presented in the publication with as much detail as possible to provide the maximum flexibility to the user.Knowing what the concentration of employment and payroll is in the state by county, ownership or industry type, and how it has changed over time will help the business person plan possible future expansion. When combined with other data sources, reliable estimates of future expansion or contraction can be produced.

The primary goal of **Oregon Covered Employment and Payrolls by Industry and County** is to provide a data source that gives the user a reliable tool to use in the pursuit of economic analysis. The 1988 edition of the publication should be available for distribution in late January. If you are not already on our mailing list and would like to receive a copy or would like additional information about the publication , please contact:

OREGON EMPLOYMENT DIVISION
Research and Statistics - RM 207
875 Union Street NE
Salem, OR 97311
Phone (503) 378-8654 ☐

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OREGON LABOR TRENDS

FEBRUARY 1990

State of Oregon • Employment Division • Department of Human Resources

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Jan.	1990	5.2
Dec.	1989	5.3
Jan.	1989	5.4

United States (Seas. Adj.)

Jan.	1990	5.3
Dec.	1989	5.3
Jan.	1989	5.4

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

Jan.	1990	131.6
Dec.	1989	130.6
Nov.	1989	130.4
Oct.	1989	130.1
Sept.	1989	129.7

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Dec.	1989	$11.02
Nov.	1989	$10.83
Dec.	1988	$10.69

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Dec.	1989	40.0
Nov.	1989	39.0
Dec.	1988	40.1

CONSUMER PRICE INDEX (CPI)
1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver

July-Dec. 1989	121.6
Yearly change	4.9%
Annual Average 1989	120.4
Yearly change	5.0%

United States

Jan. 1990	127.4
Yearly change	5.2%
Annual Average 1989	124.0
Yearly change	4.8%

Portland Hotline 326-4132

INMIGRATION REVISITED OR HOW LONG THE LABOR SHORTAGE?

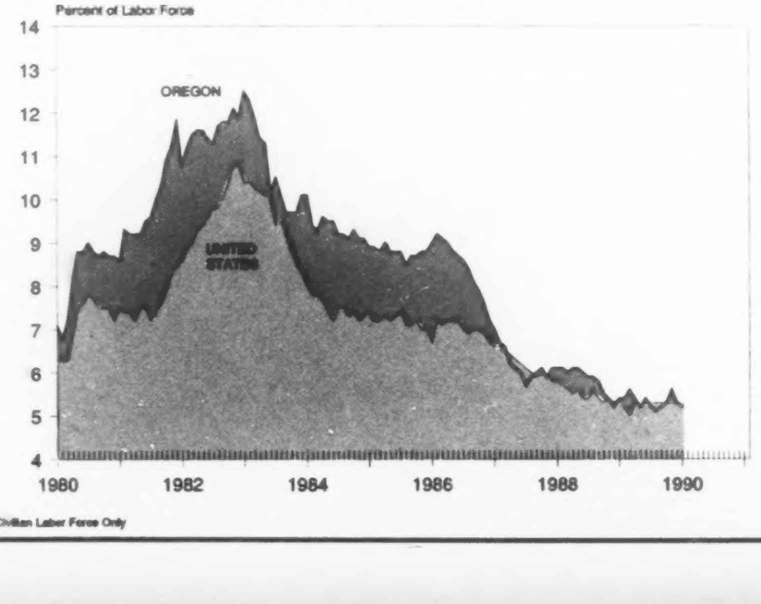
Frank Ryals

Foretelling the future has been, throughout history, either a God-given responsibility, a mystical scam, or a matter of survival. All cultures have had their prophets, oracles, seers, shamans, and fortune tellers. Those who were right were rewarded with status in the tribe second to none, and even fame throughout the ages. Those who were wrong were branded as crooks or charlatans and were disgraced, banished, killed, or worse.

With such dire consequences at stake, those modern shamans known as economists do try, despite ample evidence to the contrary, to consider the effects of every measurable economic force, as well as some unmeasurable ones, when they augur the future of the economy. The fact that so many of them are wrong so often and aren't disgraced, banished, killed, or worse, should be a clue as to just how difficult the economists' task is.

In Oregon, the task has become even more difficult. Until the 1980s, certain social variables behaved in ways which were so dependable that they could be treated as assumptions, or constants, in predicting economic trends. Chief among these old standbyes were population growth and movement. Traditionally, Oregon's population grew in a steady, unbroken upward line, through both natural increase and inmigration. Oregon's economy grew almost steadily, too. Therefore, increases in employment would immediately be mirrored by decreases in unemployment. Now things aren't so simple. Population variables which used to work in concert now might seem to cancel each other. Here are two population issues which affect not only employment and unemployment levels in Oregon, but also make their prediction more difficult.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



Civilian Labor Force Only

OREGON RESIDENT LABOR FORCE (BY PLACE OF RESIDENCE)

	JAN.1/ 1990	DEC.2/ 1989	JAN. 1989	CHANGE FROM DEC. 1989	CHANGE FROM JAN. 1989
CIVILIAN LABOR FORCE 3/	1,439,600	1,420,900	1,422,800	18,700	16,800
UNEMPLOYMENT	87,800	70,700	89,900	17,100	- 2,100
PERCENT OF LABOR FORCE	6.1	5.0	6.3	XXX	XXX
SEASONALLY ADJUSTED PERCENT	5.2	5.3	5.4	XXX	XXX
TOTAL EMPLOYMENT 4/	1,351,800	1,350,200	1,332,900	1,600	18,900

1/ Preliminary

2/ Revised

3/ Includes employed and unemployed individuals 16 years and older, adjusted for multiple job-holding and commuting.

4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.

5/ Includes full- and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: These data are estimated in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration. All data are based on the 1987 Standard Industrial Classification (SIC) codes.

6/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of 0.8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

7/ Goods producing industries include manufacturing, mining, and construction.

8/ Service producing industries include transportation, communications, and utilities, trade, finance, insurance, and real estate, services, and government.

9/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.

10/ Employees involved in labor disputes are not included in wage and salary employment counts.

The Labor Shortage

For the nation as a whole, the labor shortage and how we choose to go about solving it will be the single biggest labor issue of the 1990s. This shortage has two components:

- The body count shortage: The number of young people entering the labor force will continue to decline for several years before turning up in the latter half of the decade, but not nearly to baby boom levels.
- The skills mis-match: Many Oregonians do not possess the skills needed for many jobs in a world of work which has been forever altered by automated manufacturing, communication, and information systems. Retraining of these people will be necessary, but expensive.

Please see the chart which displays the number of job openings listed with the Employment Division which were unfilled for at least thirty days. Although down a bit from 1988, the numbers document the difficulties many employers are experiencing in finding workers.

Inmigration

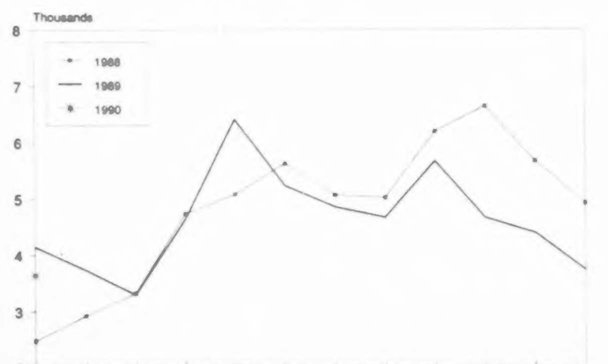
The strong economy and the labor shortage have caused an increase of people coming to Oregon looking for work. No one knows exactly how many, but some evidence suggests that their numbers have increased in the last two years. Please note the graph showing, by month, the numbers of out-of-state driver's licenses exchanged for Oregon licenses.

To what extent inmigrants have softened the labor shortage crunch is not yet known. In the long run, though, these latter day pioneers might ease some of the pinch caused by the labor shortage.

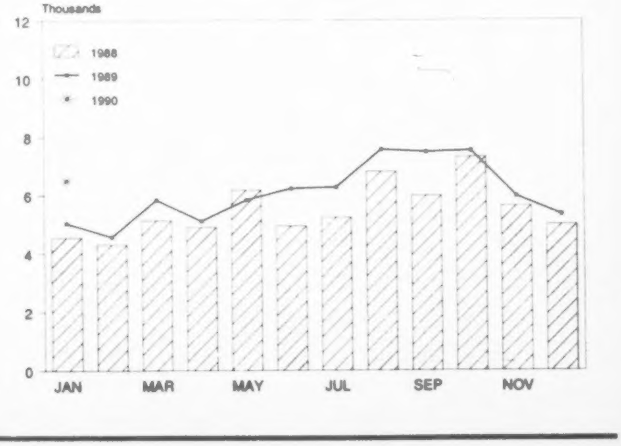
These two issues encompass nearly every other major challenge facing the state in the coming decade. Education, affirmative action, welfare reform, substance abuse, childrens' issues, immigration policy, and land use are just a few related topics which come to mind in relation to the above two.

With these above issues in mind, it should come as no surprise that January 1990 was a very good month. Total nonfarm wage and salary employment stood at 1,203,100. Though this represents about 27,000 fewer workers

NONAG JOB OPENINGS UNFILLED 30+ DAYS
OREGON EMPLOYMENT DIVISION



OUT-OF-STATE LICENSES SURRENDERED
TO OBTAIN AN OREGON LICENSE



OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	JAN.1/ 1990	DEC.2/ 1989	JAN. 1989	CHANGE FROM	
				DEC. 1989	JAN. 1989
TOTAL 5/	1,203,100	1,230,100	1,159,500	- 27,000	43,600
WAGE & SALARY EMPLOYMENT INDEX 6/	131.6	130.5	126.7	XXX	XXX
GOODS PRODUCING INDUSTRIES 7/	256,700	262,700	248,600	- 6,000	8,100
SERVICE PRODUCING INDUSTRIES 8/	946,400	967,400	910,900	- 21,000	35,500
TOTAL MANUFACTURING	213,200	216,200	209,000	- 3,000	4,200
DURABLE GOODS	157,700	159,100	156,300	- 1,400	1,400
LUMBER & WOOD PRODUCTS	65,800	66,700	67,500	- 900	- 1,700
LOGGING	10,500	11,400	11,800	- 900	- 1,300
SAWMILLS	22,700	22,800	22,200	- 100	500
VENEER & PLYWOOD	15,700	15,900	17,300	- [illegible]	- 1,600
MILLWORK & STRUCTURAL WOOD	10,800	10,500	10,100	300	700
MOBILE HOMES	1,900	1,900	1,800	0	100
OTHER WOOD PRODUCTS	4,200	4,200	4,300	0	- 100
FURNITURE AND FIXTURES	2,800	2,900	2,900	- 100	- 100
STONE, CLAY, GLASS & CONCRETE	4,000	4,200	4,000	- 200	0
PRIMARY METALS	11,300	11,300	10,400	0	900
BLAST FURNACES, IRON & STEEL 9/	5,800	5,800	5,300	0	500
NONFERROUS METALS 9/	5,500	5,500	5,100	0	400
FABRICATED METALS	11,800	11,800	12,200	0	- 400
FABRICATED STRUCTURAL METALS	4,900	4,900	5,300	0	- 400
OTHER FABRICATED METALS	6,900	6,900	6,900	0	0
MACHINERY	17,700	17,800	16,900	- 100	800
OFFICE & COMPUTING MACHINES	4,700	4,700	4,200	0	500
OTHER MACHINERY	13,000	13,100	12,700	- 100	300
ELECTRONIC & OTHER ELECTRIC EQUIPMENT 9/	16,500	16,400	15,100	100	1,400
TRANSPORTATION EQUIPMENT	11,900	12,100	11,000	- 200	900
INSTRUMENTS & RELATED PRODUCTS 9/	12,200	12,200	12,600	0	- 400
MISCELLANEOUS MANUFACTURING	3,700	3,700	3,700	0	0
NONDURABLE GOODS	55,500	57,100	52,700	- 1,600	2,800
FOOD & KINDRED PRODUCTS	20,400	21,500	19,400	- 1,100	1,000
CANNING & PRESERVING	9,700	10,300	9,200	- 600	500
OTHER FOOD PRODUCTS	10,700	11,200	10,200	- 500	500
TEXTILE MILL PRODUCTS	1,700	1,800	1,700	- 100	0
APPAREL	2,700	2,800	2,600	- 100	100
PAPER & ALLIED PRODUCTS	9,200	9,100	8,400	100	800
PRINTING & PUBLISHING	13,800	14,000	13,100	- 200	700
CHEMICALS & ALLIED PRODUCTS	2,200	2,200	2,100	0	100
PETROLEUM & ASPHALT PRODUCTS	400	400	400	0	0
RUBBER & PLASTIC PRODUCTS	4,700	4,800	4,600	- 100	100
LEATHER PRODUCTS	400	500	400	- 100	0
TOTAL NONMANUFACTURING	989,900	1,013,900	950,500	- 24,000	39,400
MINING & QUARRYING	1,200	1,400	1,100	- 200	100
CONSTRUCTION	42,300	45,100	38,500	- 2,800	3,800
BUILDING CONSTRUCTION	10,900	11,100	9,800	- 200	1,100
HEAVY CONSTRUCTION	4,500	5,400	5,000	- 900	- 500
SPECIAL TRADE CONTRACTORS	26,900	28,600	23,700	- 1,700	3,200
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	63,600	65,200	61,000	- 1,600	2,600
TRANSPORTATION	42,200	43,800	40,100	- 1,600	2,100
RAILROAD	3,800	3,800	3,900	0	- 100
TRUCKING & WAREHOUSING	24,000	25,700	23,000	- 1,700	1,000
OTHER TRANSPORTATION	14,400	14,300	13,200	100	1,200
COMMUNICATIONS	12,500	12,500	12,400	0	100
UTILITIES	8,900	8,900	8,500	0	400
TRADE	310,900	324,800	294,500	- 13,900	16,400
WHOLESALE TRADE	80,000	80,500	74,500	- 500	5,500
DURABLE GOODS	46,600	46,900	44,000	- 300	2,600
MACHINERY, EQUIPMENT, & SUPPLIES	10,800	11,000	10,400	- 200	400
OTHER DURABLE GOODS	35,800	35,900	33,600	- 100	2,200
NONDURABLE GOODS	33,400	33,600	30,500	- 200	2,900
GROCERIES & RELATED PRODUCTS	13,200	13,300	11,700	- 100	1,500
OTHER NONDURABLE GOODS	20,200	20,300	18,800	- 100	1,400
RETAIL TRADE	230,900	244,300	220,000	- 13,400	10,900
BUILDING MATERIALS & GARDEN SUPPLIES	8,200	8,500	6,900	- 300	1,300
GENERAL MERCHANDISE	31,000	34,600	29,300	- 3,600	1,700
FOOD STORES	40,600	41,200	37,100	- 600	3,500
AUTO DEALERS & SERVICE STATIONS	28,200	28,900	27,800	- 700	400
APPAREL & ACCESSORY STORES	9,800	11,200	9,400	- 1,400	400
FURNITURE & HOME FURNISHINGS	9,800	10,100	9,000	- 300	800
EATING & DRINKING PLACES	79,500	82,400	77,000	- 2,900	2,500
MISCELLANEOUS RETAIL	23,800	27,400	23,500	- 3,600	300
FINANCE, INSURANCE, & REAL ESTATE	74,900	75,400	73,100	- 500	1,800
FINANCE	28,000	28,000	27,600	0	400
INSURANCE	21,900	22,000	22,100	- 100	- 200
REAL ESTATE	25,000	25,400	23,400	- 400	1,600
SERVICES	278,400	281,100	268,000	- 2,700	10,400
HOTELS & OTHER LODGING PLACES	16,900	17,700	16,500	- 800	400
PERSONAL SERVICES	11,000	10,700	10,700	300	300
BUSINESS SERVICES	45,300	45,600	43,800	- 300	1,500
AUTOMOTIVE & MISC. REPAIR SERVICES	15,100	15,200	14,400	- 100	700
MOTION PICTURES & AMUSEMENTS	13,800	13,700	13,500	100	300
HEALTH SERVICES	84,100	84,100	79,700	0	4,400
LEGAL SERVICES	8,600	8,600	8,500	0	100
PRIVATE EDUCATION	13,500	14,600	14,600	- 1,100	- 1,100
SOCIAL SERVICES	25,100	25,500	23,500	- 400	1,600
ENGINEERING & MANAGEMENT SERVICES	19,300	19,100	18,200	200	1,100
OTHER SERVICES & NEC	25,700	26,300	24,600	- 600	1,100
GOVERNMENT	218,600	220,900	214,300	- 2,300	4,300
FEDERAL GOVERNMENT	31,800	32,900	30,900	- 1,100	900
STATE GOVERNMENT	59,200	59,600	59,000	- 400	200
EDUCATION	24,700	25,500	24,500	- 800	200
OTHER STATE	34,500	34,100	34,500	400	0
LOCAL GOVERNMENT	127,600	128,400	124,400	- 800	3,200
EDUCATION	81,300	82,000	79,800	- 700	1,500
OTHER LOCAL	46,300	46,400	44,600	- 100	1,700
LABOR-MANAGEMENT DISPUTES 10/	500	400	1,200	100	- 700

employed than in December. Oregon employers were expected to lay off over 36,500, so almost 10,000 more Oregonians than expected are still on the payrolls. This accounts for January's higher wage and salary employment index of 131.6, up from 130.6 in December. This index sees through the normal seasonal ups and downs and captures changes actually caused by growth or decline of the economy.

In January, logging, nondurable goods manufacturing, and mining lost more jobs than expected. The relatively small losses in these industries were overwhelmed by those which, for a variety of reasons, have retained a great many more workers than anticipated.

To be sure, employment growth in Oregon's manufacturing sector has slowed considerably in 1989. Leaning most heavily on the brakes were veneer and plywood (-1,600) and logging (-700).

At present, though, lumber and wood products is showing no strong up or down trend. Around 50 veneer and 25 plywood jobs will be lost in February as Willamette Industries closes one mill and lays off the relief shift in another, both in Sweet Home. However, 400 plywood jobs should reappear by the end of the month when the Champion International mill in Roseburg resumes production. Logging declines were related to both weather and to mill closures and seasonal layoffs.

Elsewhere in durable goods manufacturing, however, average employment gains in the past year shine like a clear January day. Examples include:

Primary Metals	(+800)
Fabricated Metals	(+1,100)
Machinery	(+800)
Electrical & Electronic Equip.	(+1,500)

In addition, printing and publishing, and rubber and plastics manufacturing each reached all-time high employment levels last year. All of the above are key industries to watch for those concerned with diversifying the Oregon economy. Their continued growth gives parts of the state a better chance to dodge any bullets of recession which might be fired in the future. Unfortunately, they cannot help areas of the state in which they are not located.

The recent announcement of the impending layoff of around 600 workers at Tektronix feels like a cold rain on the above numbers for electronics employment. Oregon's high tech manufacturers are now in a more mature industry environment with stiff competition, and to expect them to add workers as they did when the industry was young and in its high growth phase is simply not realistic. Instead, these firms probably will grow slowly in the coming months, and will suffer occasional setbacks like this one.

The only remaining bad news in January was nondurable goods manufacturing, including food and kindred products, which lost 700 more jobs than expected. Bad weather added to other factors causing a decrease in seafood canning on the Oregon coast.

Shifting from manufacturing to construction, the word is very good indeed. This industry has awakened from its recession-induced coma of the early 1980s, and is growing like a Washington County suburb. The state's continuing prosperity and its accompanying inmigration have spurred the need for more commercial, industrial, and residential building. Long-dormant issues like land-use planning, especially urban growth boundaries, will again become hot topics for Oregon communities and the state as a whole.

The headline and the bottom line for all of the state's service-producing sector is that almost no one laid off as many workers as expected after the holidays. In some industries, this mid-winter strength is because there is simply more work to be done. In others, employers seem to have altered their holiday hiring practices, adding fewer temporary workers in December, and so having fewer to lay off in January.

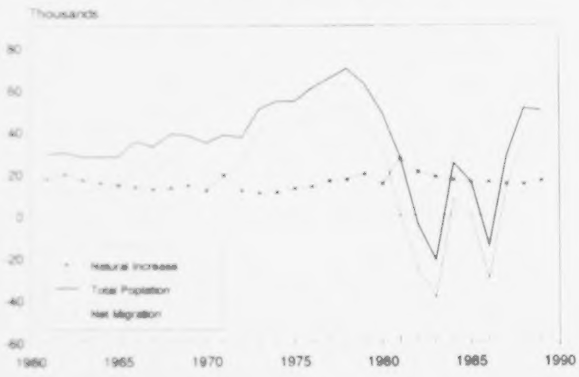
Openings of new stores have cushioned the normal decrease of employment in trade, for both wholesale and retail firms. Wholesale grocers have led the way with a mere 100 drop in employment. Retail food stores lost 600, far less than the model forecast.

Real estate, an industry directly affected by construction activity, lost only half the expected jobs in the first month of the new year. This counter-seasonal strength is related to both the prosperity of Oregonians and to the influx of new residents.

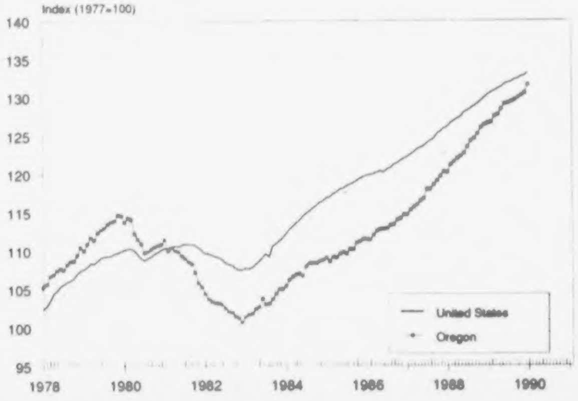
The service sector also remained buoyant in January. Employment services lost only 300 jobs instead of the expected 2,000. This was a reflection of the less-than-normal holiday hiring mentioned earlier.

Most of the remainder of the predicted layoffs which didn't occur in services didn't occur in health services. Health showed no change in employment when a drop of 900 was expected. Both the labor shortage and inmigration have been felt acutely by health services. These firms are caught between the rock of holding down labor costs while serving an expanding and aging population, and the hard place of the labor shortage. This industry is projected to experience worker shortages through the middle of the decade.

COMPONENTS OF OREGON POPULATION GROWTH
CHANGE FROM PREVIOUS YEAR



NONFARM WAGE & SALARY EMPLOYMENT INDEXES
(SEASONALLY ADJUSTED)



State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1989 Benchmark
February 1990

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1989 1/

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE													
UNEMPLOYMENT													
Percent of Labor Force			NOT YET AVAILABLE										
Seasonally Adjusted Percent													
TOTAL EMPLOYMENT													

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1989 3/

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
TOTAL WAGE & SALARY	1,206.6	1,159.5	1,162.0	1,176.4	1,187.2	1,205.4	1,227.4	1,209.1	1,218.9	1,231.0	1,237.4	1,235.2	1,230.1
Wage & Salary Emp. Index (1977=100) 4/	128.8	126.6	126.7	127.5	127.7	128.4	129.1	129.2	129.4	129.6	129.9	130.2	130.5
GOODS PRODUCING 5/	263.8	248.6	245.7	250.5	254.3	259.6	270.4	275.2	280.9	278.2	273.1	266.0	262.7
SERVICE PRODUCING 6/	942.9	910.9	916.3	925.9	932.9	945.8	957.0	933.9	938.0	952.8	964.3	969.2	967.4
MANUFACTURING, TOTAL	217.2	209.0	206.5	208.5	209.7	212.7	221.6	225.4	229.7	226.9	222.4	217.5	216.2
Durable Goods	158.5	156.3	152.2	154.5	154.3	157.0	162.3	163.8	163.1	162.0	158.9	158.2	159.1
Lumber & Wood Products	66.9	67.5	63.2	63.6	63.7	64.8	69.6	70.4	69.6	68.8	67.9	67.5	66.7
Logging	12.1	11.8	11.5	11.1	10.9	11.8	12.7	13.1	13.0	12.9	12.7	12.2	11.4
Sawmills	22.7	22.2	21.3	21.6	22.1	22.3	23.6	23.9	23.6	23.2	22.9	22.9	22.8
Veneer & Plywood	15.7	17.3	14.6	14.7	14.6	14.4	16.4	16.4	16.0	15.9	15.8	15.8	15.9
Millwork & Structural Wood	10.4	10.1	10.1	10.4	10.3	10.4	10.7	10.7	10.7	10.5	10.4	10.4	10.5
Mobile Homes	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.8	1.9	1.9
Other Wood Products	4.2	4.3	3.9	4.0	4.0	4.1	4.4	4.4	4.4	4.4	4.3	4.3	4.2
Furniture & Fixtures	3.0	2.9	2.9	3.0	2.9	3.0	3.0	3.0	3.1	3.1	3.1	3.0	2.9
Stone, Clay, Glass, & Concrete	4.2	4.0	3.9	4.0	4.1	4.3	4.4	4.4	4.4	4.4	4.4	4.3	4.2
Primary Metals	11.0	10.4	10.4	10.6	10.7	10.8	11.0	11.2	11.3	11.2	11.3	11.3	11.3
Blast Furnaces, Iron & Steel 7/	5.6	5.3	5.4	5.5	5.5	5.5	5.6	5.7	5.9	5.7	5.8	5.8	5.8
Nonferrous Metals 7/	5.3	5.1	5.0	5.1	5.2	5.3	5.4	5.5	5.4	5.5	5.5	5.5	5.5
Fabricated Metals	12.3	12.2	12.4	12.7	12.7	12.5	12.4	12.4	12.3	12.1	12.1	12.0	11.8
Fabricated Structural Metals	5.3	5.3	5.5	5.7	5.7	5.4	5.2	5.2	5.2	5.0	5.0	5.0	4.9
Other Fabricated Metals	7.0	6.9	6.9	7.0	7.0	7.1	7.2	7.2	7.1	7.1	7.1	7.0	6.9
Machinery	17.6	16.9	17.0	17.1	17.4	17.7	17.8	17.9	18.0	17.9	17.7	17.6	17.8
Office & Computing Machines	4.5	4.2	4.2	4.2	4.3	4.4	4.5	4.6	4.8	4.8	4.8	4.6	4.7
Other Machinery	13.1	12.7	12.8	12.9	13.1	13.3	13.3	13.3	13.2	13.1	12.9	13.0	13.1
Electronic & Other Elect. Equip 7/	15.6	15.1	14.9	15.1	15.0	15.3	15.5	15.7	16.0	16.0	16.1	16.3	16.4
Transportation Equipment	11.4	11.0	11.1	11.8	11.2	12.0	11.9	12.2	11.9	12.1	10.0	10.0	12.1
Instruments & Related Products 7/	12.5	12.6	12.6	12.7	12.7	12.7	12.7	12.7	12.5	12.4	12.3	12.2	12.2
Miscellaneous Manufacturing	3.9	3.7	3.8	3.9	3.9	3.9	4.0	3.9	4.0	4.0	4.0	4.0	3.7
Nondurable Goods	58.7	52.7	54.3	54.0	55.4	55.7	59.3	61.6	66.6	64.9	63.5	59.3	57.1
Food & Kindred Products	23.6	19.4	20.1	19.5	20.5	20.7	23.7	26.1	30.8	29.3	28.2	23.9	21.5
Canning & Preserving	12.9	9.2	9.9	9.4	10.3	10.1	12.9	15.1	19.8	18.4	16.8	12.4	10.3
Other Food Products	10.8	10.2	10.2	10.1	10.2	10.6	10.8	11.0	11.0	10.9	11.4	11.5	11.2
Textile Mill Products	1.8	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Apparel	2.7	2.6	2.6	2.7	2.7	2.6	2.7	2.6	2.7	2.7	2.7	2.7	2.8
Paper & Allied Products	9.1	8.4	9.1	9.0	9.0	9.1	9.3	9.4	9.3	9.2	9.0	9.1	9.1
Printing & Publishing	13.5	13.1	13.1	13.3	13.4	13.4	13.6	13.5	13.7	13.7	13.7	13.9	14.0
Chemicals & Allied Products	2.2	2.1	2.1	2.1	2.2	2.2	2.3	2.3	2.3	2.3	2.2	2.2	2.2
Petroleum & Asphalt Products	0.5	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4
Rubber & Plastic Products	4.9	4.6	4.7	4.8	4.9	4.9	5.0	5.0	5.0	4.9	4.9	4.8	4.8
Leather Products	0.5	0.4	0.5	0.5	0.5	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.5
NONMANUFACTURING, TOTAL	989.5	950.5	955.5	967.9	977.5	992.7	1,005.8	983.7	989.2	1,004.1	1,015.0	1,017.7	1,013.9
Mining & Quarrying	1.4	1.1	1.1	1.2	1.3	1.4	1.5	1.6	1.6	1.6	1.5	1.4	1.4
Construction	45.2	38.5	38.1	40.8	43.3	45.5	47.3	48.2	49.6	49.7	49.2	47.1	45.1
Building Construction	11.4	9.8	10.1	11.1	11.4	11.8	11.8	11.7	12.3	12.2	12.3	11.7	11.1
Heavy Construction	6.3	5.0	4.7	5.3	6.2	6.9	7.4	7.3	7.2	7.2	6.7	6.1	5.4
Special Trade Contractors	27.5	23.7	23.3	24.4	25.7	26.8	28.1	29.2	30.1	30.3	30.2	29.3	28.6

1989 Continued	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Transport., Comm., & Utilities	62.9	61.0	61.1	61.1	61.8	62.4	63.2	62.9	63.2	64.2	63.9	64.2	65.2
Transportation	41.6	40.1	40.1	40.0	40.6	41.1	41.7	41.4	41.8	42.9	42.7	42.9	43.8
Railroad Transportation	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.8
Trucking & Warehousing	24.0	23.0	22.9	22.8	23.0	23.4	24.0	24.3	24.5	24.8	24.6	24.9	25.7
Other Transportation	13.7	13.2	13.3	13.3	13.7	13.6	13.8	13.2	13.4	14.2	14.2	14.1	14.3
Communications	12.5	12.4	12.4	12.4	12.4	12.4	12.5	12.6	12.6	12.6	12.5	12.5	12.5
Utilities	8.8	8.5	8.6	8.7	8.8	8.9	9.0	8.9	8.8	8.7	8.7	8.8	8.9
Wholesale & Retail Trade	309.6	294.5	292.8	295.9	299.1	305.1	311.0	313.3	316.2	319.4	319.2	323.9	324.8
Wholesale Trade	78.2	74.5	75.1	76.0	76.0	76.7	78.0	78.9	80.0	81.0	80.8	80.6	30.5
Durable Goods	45.7	44.0	44.2	44.7	44.7	45.2	46.0	46.5	46.6	46.4	46.5	46.8	46.9
Machinery, Equipment, & Sup.	10.8	10.4	10.4	10.5	10.7	10.8	11.0	11.0	11.0	10.9	10.9	10.9	11.0
Other Durable Goods	34.9	33.6	33.8	34.2	34.0	34.4	35.0	35.5	35.6	35.5	35.6	35.9	35.9
Nondurable Goods	32.5	30.5	30.9	31.3	31.3	31.5	32.0	32.4	33.4	34.6	34.3	33.8	33.6
Groceries & Related Products	12.5	11.7	11.8	11.8	11.6	11.6	11.7	11.9	13.1	14.2	14.0	13.5	13.3
Other Nondurable Goods	20.0	18.8	19.1	19.5	19.7	19.9	20.3	20.5	20.3	20.4	20.3	20.3	20.3
Retail Trade	231.4	220.0	217.7	219.9	223.1	228.4	233.0	234.4	236.2	238.4	238.4	243.3	244.3
Building Materials & Garden Sup.	8.1	6.9	7.0	7.4	7.8	8.1	8.4	8.6	8.7	8.7	8.5	8.4	8.5
General Merchandise Stores	29.6	29.3	27.7	27.3	27.4	27.7	28.2	28.8	29.0	30.0	31.2	33.8	34.6
Food Stores	39.4	37.1	36.8	37.2	37.9	39.6	40.0	40.5	40.7	40.4	40.6	40.8	41.2
Auto Dealers & Service Stations	28.9	27.8	28.1	28.3	28.8	29.1	29.3	29.6	29.3	29.4	29.3	29.2	28.9
Apparel & Accessory Stores	9.8	9.4	8.9	8.9	8.9	9.1	9.7	10.0	10.2	10.0	9.8	10.9	11.2
Furniture & Home Furnishings	9.2	9.0	9.0	9.0	9.0	9.0	9.1	8.9	9.1	9.5	9.4	9.8	10.1
Eating & Drinking Places	82.3	77.0	77.0	78.5	80.2	82.3	84.7	85.1	85.5	86.3	84.4	83.7	82.4
Miscellaneous Retail	24.2	23.5	23.2	23.3	23.1	23.5	23.6	22.9	23.7	24.1	25.2	26.7	27.4
Finance, Insurance, and Real Estate	75.3	73.1	73.6	74.3	74.7	75.5	76.5	76.8	76.8	76.0	75.7	75.5	75.4
Finance	27.9	27.6	27.6	27.8	27.7	27.8	28.0	28.1	28.2	28.0	27.9	28.1	28.0
Insurance	22.2	22.1	22.2	22.2	22.2	22.3	22.5	22.4	22.4	22.2	22.0	22.0	22.0
Real Estate	25.2	23.4	23.8	24.3	24.8	25.4	26.0	26.3	26.2	25.8	25.8	25.4	25.4
Services	279.9	268.0	271.9	275.7	278.7	280.8	283.2	282.8	284.1	285.9	284.4	282.7	281.1
Hotels & Other Lodging Places	18.4	16.5	16.8	17.2	18.0	18.4	19.7	20.1	20.2	19.3	18.7	18.2	17.7
Personal Services	10.9	10.7	11.0	11.2	11.1	11.0	11.0	10.9	10.8	10.9	10.7	10.6	10.7
Business Services	46.7	43.8	44.7	45.3	46.2	47.3	48.1	47.4	48.0	48.9	47.9	46.9	45.6
Automotive & Misc. Repair Services	15.2	14.4	14.5	14.7	15.1	15.2	15.4	15.7	15.7	15.5	15.4	15.3	15.2
Motion Pictures & Amusements	14.1	13.5	13.6	14.0	14.2	14.5	14.6	14.5	14.5	14.5	13.7	13.3	13.7
Health Services	82.1	79.7	80.1	80.9	80.8	81.2	82.2	82.8	83.3	83.3	83.2	83.6	84.1
Legal Services	8.7	8.5	8.6	8.6	8.6	8.7	8.9	8.8	8.7	8.7	8.6	8.6	8.6
Private Education	14.3	14.6	15.4	15.4	15.5	15.1	12.5	11.7	11.6	14.3	15.2	15.2	14.6
Social Services	24.4	23.5	23.7	23.9	24.1	24.3	24.5	24.0	24.1	24.9	25.0	25.1	25.5
Engineering & Management Services	19.0	18.2	18.8	19.3	19.4	19.0	19.0	18.8	19.0	18.7	19.1	19.2	19.1
Other Services & NEC	26.4	24.6	24.7	25.2	25.7	26.1	27.3	28.1	28.2	26.9	26.9	26.7	26.3
Government	215.2	214.3	216.9	218.9	218.6	222.0	223.1	198.1	197.7	207.3	221.1	222.9	220.9
Federal Government	32.2	30.9	30.2	30.2	31.3	32.1	33.2	33.5	33.5	33.6	32.9	32.4	32.9
State Government	59.2	59.0	60.2	60.7	60.1	60.5	61.7	56.4	56.6	55.4	59.9	60.1	59.6
Education	24.2	24.5	25.6	25.8	25.4	25.7	25.8	20.5	20.1	20.1	25.3	25.8	25.5
Other State	35.0	34.5	34.6	34.9	34.7	34.8	35.9	35.9	36.5	35.3	34.6	34.3	34.1
Local Government	123.7	124.4	126.5	128.0	127.2	129.4	128.2	108.2	107.6	118.3	128.3	130.4	128.4
Education	77.0	79.8	81.7	82.7	81.7	82.4	79.8	59.3	58.4	70.6	81.6	83.9	82.0
Other Local	46.8	44.6	44.8	45.3	45.5	47.0	48.4	48.9	49.2	47.7	46.7	46.5	46.4
LABOR-MANAGEMENT DISPUTES	1.8	1.2	3.8	3.8	3.8	3.6	0.3	0.3	0.3	0.4	2.0	2.0	0.4

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants. ALL DATA ARE IN THOUSANDS

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force.

3/ This nonagricultural wage and salary employment series is based on the 1987 Standard Industrial Classification (SIC) manual. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals. ALL DATA ARE IN THOUSANDS

4/ Total nonagricultural wage and salary employment, seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

5/ Goods producing industries include manufacturing, mining, and construction.

6/ Service producing industries include transportation, communications, & utilities; trade; finance, insurance, & real estate; services; and government.

7/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1989 Benchmark
February 1990

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1988 1/

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE													
UNEMPLOYMENT													
Percent of Labor Force			NOT YET AVAILABLE										
Seasonally Adjusted Percent													
TOTAL EMPLOYMENT													

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1988 3/

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
TOTAL WAGE & SALARY	1,156.0	1,101.5	1,112.8	1,123.2	1,135.0	1,148.0	1,167.0	1,154.2	1,169.0	1,182.2	1,192.2	1,194.8	1,191.6
Wage & Salary Emp. Index (1977=100) 4/	123.4	120.2	121.2	121.6	122.0	122.3	122.7	123.5	124.3	124.6	125.2	126.0	126.4
GOODS PRODUCING 5/	255.3	239.4	242.0	242.7	246.9	250.1	256.7	262.7	271.1	268.3	266.8	260.8	256.4
SERVICE PRODUCING 6/	900.6	862.1	870.8	880.5	888.1	897.9	910.3	891.5	897.9	913.9	925.4	934.0	935.2
MANUFACTURING, TOTAL	214.2	205.7	207.3	206.6	208.5	209.9	214.5	218.4	225.3	222.1	220.9	216.9	213.7
Durable Goods	156.5	151.6	152.9	152.5	154.4	155.2	155.8	158.7	160.5	158.9	160.0	159.4	158.2
Lumber & Wood Products	68.8	67.6	68.0	67.3	68.0	68.8	68.6	69.1	70.4	68.9	70.5	69.8	68.8
Logging	12.8	12.3	12.5	11.9	11.9	12.4	13.3	13.8	14.0	11.2	13.7	13.6	12.8
Sawmills	22.6	22.1	22.3	22.4	22.6	22.7	22.3	22.2	22.6	23.4	23.2	22.8	22.8
Veneer & Plywood	17.3	17.7	17.7	17.6	17.8	17.7	16.7	16.4	16.9	17.5	17.2	17.0	16.9
Millwork & Structural Wood	10.1	9.7	9.7	9.6	9.8	10.0	10.4	10.6	10.6	10.5	10.3	10.2	10.2
Mobile Homes	1.6	1.4	1.4	1.4	1.4	1.5	1.6	1.7	1.8	1.8	1.8	1.8	1.8
Other Wood Products	4.4	4.4	4.4	4.4	4.5	4.5	4.3	4.4	4.5	4.5	4.3	4.4	4.3
Furniture & Fixtures	2.9	2.6	2.6	2.7	2.8	2.8	2.9	3.0	3.0	3.0	3.0	3.0	3.0
Stone, Clay, Glass, & Concrete	4.0	3.6	3.6	3.7	3.9	4.0	4.1	4.2	4.3	4.4	4.3	4.2	4.2
Primary Metals	10.2	9.8	9.8	9.9	10.0	10.1	10.3	10.4	10.4	10.4	10.3	10.3	10.3
Blast Furnaces, Iron & Steel 7/	5.1	4.9	4.8	4.9	5.0	5.0	5.1	5.2	5.2	5.2	5.2	5.2	5.3
Nonferrous Metals 7/	5.1	4.9	5.0	5.0	5.0	5.1	5.2	5.2	5.2	5.2	5.1	5.1	5.0
Fabricated Metals	11.2	10.1	10.2	10.4	10.6	10.7	11.0	11.4	11.6	11.6	11.9	12.2	12.4
Fabricated Structural Metals	4.6	4.2	4.2	4.3	4.4	4.4	4.5	4.7	4.7	4.7	4.9	5.2	5.4
Other Fabricated Metals	6.5	5.9	6.0	6.1	6.2	6.3	6.5	6.7	6.9	6.9	7.0	7.0	7.0
Machinery	16.8	16.4	16.7	16.8	16.7	16.5	16.6	16.9	17.0	17.0	17.0	16.8	16.9
Office & Computing Machines	4.1	4.1	4.2	4.2	4.0	3.8	3.8	4.1	4.2	4.2	4.3	4.3	4.3
Other Machinery	12.7	12.3	12.5	12.6	12.7	12.7	12.8	12.8	12.8	12.8	12.7	12.5	12.6
Electronic & Other Elect. Equip 7/	14.1	13.3	13.4	13.4	13.6	13.8	13.9	14.3	14.5	14.6	14.6	14.8	15.0
Transportation Equipment	11.6	11.2	11.5	11.1	11.6	11.5	11.3	12.4	12.3	12.0	11.4	11.4	11.1
Instruments & Related Products 7/	13.2	13.5	13.5	13.5	13.5	13.3	13.2	13.1	13.1	13.1	12.9	12.8	12.6
Miscellaneous Manufacturing	3.8	3.5	3.6	3.7	3.7	3.7	3.9	3.9	3.9	3.9	4.1	4.1	3.9
Nondurable Goods	57.6	54.1	54.4	54.1	54.1	54.7	58.7	59.7	64.8	63.2	60.9	57.5	55.5
Food & Kindred Products	23.7	20.6	20.8	20.3	20.0	21.1	24.2	25.7	30.6	29.0	27.2	23.8	21.5
Canning & Preserving	12.8	9.8	10.2	9.6	9.4	10.3	13.2	14.6	19.5	18.0	15.9	12.6	10.5
Other Food Products	10.9	10.8	10.6	10.7	10.6	10.8	11.0	11.1	11.1	11.0	11.3	11.2	11.0
Textile Mill Products	1.8	1.8	1.8	1.8	1.8	1.7	1.8	1.7	1.8	1.7	1.8	1.7	1.7
Apparel	2.6	2.5	2.6	2.5	2.6	2.7	2.7	2.6	2.6	2.7	2.7	2.7	2.7
Paper & Allied Products	8.6	8.8	8.8	8.9	8.8	8.2	8.9	8.6	8.5	8.5	8.2	8.3	8.4
Printing & Publishing	13.2	13.1	13.1	13.1	13.2	13.2	13.2	13.2	13.2	13.3	13.1	13.2	13.4
Chemicals & Allied Products	2.1	2.1	2.1	2.1	2.2	2.2	2.2	2.1	2.2	2.2	2.1	2.1	2.1
Petroleum & Asphalt Products	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.5	0.6	0.5	0.5
Rubber & Plastic Products	4.6	4.3	4.3	4.4	4.5	4.6	4.6	4.7	4.8	4.8	4.7	4.7	4.7
Leather Products	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
NONMANUFACTURING, TOTAL	941.8	895.8	905.5	916.6	926.5	938.1	952.5	935.8	943.7	960.1	971.3	977.9	977.9
Mining & Quarrying	1.3	1.2	1.3	1.2	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.3	1.2
Construction	39.9	32.5	33.4	34.9	37.1	38.9	40.8	42.9	44.4	44.8	44.5	42.6	41.5
Building Construction	9.6	8.3	8.3	8.5	8.9	9.1	9.5	9.8	10.3	10.5	10.5	10.5	10.4
Heavy Construction	6.2	4.1	4.4	4.8	5.7	6.4	6.8	7.2	7.6	7.7	7.4	6.6	6.0
Special Trade Contractors	24.1	20.1	20.7	21.6	22.5	23.4	24.5	25.9	26.5	26.6	26.6	25.5	25.1

1988 Continued	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Transport., Comm., & Utilities	60.5	58.2	58.6	59.0	59.2	59.7	60.7	60.4	61.3	62.0	61.9	62.1	62.6
Transportation	39.3	37.0	37.4	37.7	37.9	38.4	39.3	39.1	40.0	40.9	40.9	41.1	41.7
Railroad Transportation	3.9	3.8	3.8	3.9	3.9	3.9	3.9	3.9	3.9	3.9	4.0	4.0	3.9
Trucking & Warehousing	22.8	21.2	21.4	21.4	21.7	22.0	22.7	23.1	23.6	23.8	23.7	23.9	24.6
Other Transportation	12.6	12.0	12.2	12.4	12.3	12.5	12.7	12.1	12.5	13.2	13.2	13.2	13.2
Communications	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.4	12.4	12.4	12.3
Utilities	8.7	8.7	8.7	8.8	8.8	8.8	8.9	8.8	8.8	8.7	8.6	8.6	8.6
Wholesale & Retail Trade	292.4	276.2	275.9	279.2	283.0	287.1	293.2	297.1	299.5	301.9	301.5	305.4	309.0
Wholesale Trade	72.9	68.8	69.5	70.2	71.2	71.6	73.2	74.0	74.5	75.6	75.2	75.3	75.4
Durable Goods	42.7	40.6	40.8	41.1	41.8	42.4	43.0	43.4	43.7	43.9	43.6	43.9	44.2
Machinery, Equipment, & Sup.	10.2	9.6	9.6	9.8	10.0	10.2	10.4	10.4	10.5	10.5	10.3	10.4	10.5
Other Durable Goods	32.5	31.0	31.2	31.3	31.8	32.2	32.6	33.0	33.2	33.4	33.3	33.5	33.7
Nondurable Goods	30.2	28.2	28.7	29.1	29.4	29.2	30.2	30.6	30.8	31.7	31.6	31.4	31.2
Groceries & Related Products	11.6	10.8	10.9	10.9	11.0	10.8	11.3	11.5	11.7	12.7	12.7	12.4	12.1
Other Nondurable Goods	18.6	17.4	17.8	18.2	18.4	18.4	18.9	19.1	19.1	19.0	18.9	19.0	19.1
Retail Trade	219.5	207.4	206.4	209.0	211.8	215.5	220.0	223.1	225.0	226.3	226.3	230.1	233.6
Building Materials & Garden Sup.	7.2	6.5	6.5	6.9	7.1	7.3	7.5	7.5	7.5	7.5	7.3	7.2	7.1
General Merchandise Stores	28.6	28.6	27.1	27.1	26.8	26.9	27.2	28.1	28.5	28.7	29.7	31.5	33.0
Food Stores	36.4	33.8	34.1	34.4	34.4	35.3	36.3	37.4	37.7	38.2	38.6	38.3	38.7
Auto Dealers & Service Stations	28.0	26.4	26.4	26.9	27.7	27.9	28.5	28.5	29.0	29.1	28.8	28.5	28.3
Apparel & Accessory Stores	9.2	8.4	8.1	8.3	8.3	8.5	9.2	10.0	9.7	9.5	9.3	10.1	10.6
Furniture & Home Furnishings	8.3	8.2	8.0	8.0	8.1	8.1	8.2	8.2	8.3	8.4	8.6	8.8	9.1
Eating & Drinking Places	78.9	73.6	74.1	75.2	77.4	79.5	81.2	81.7	82.3	82.6	80.4	79.9	79.4
Miscellaneous Retail	22.9	21.9	22.1	22.2	22.0	22.0	21.9	21.7	22.0	22.3	23.6	25.8	27.4
Finance, Insurance, and Real Estate	73.3	71.7	72.0	72.2	72.4	72.8	73.8	73.9	74.5	74.4	73.7	73.5	74.2
Finance	27.6	27.5	27.5	27.6	27.8	27.8	27.9	27.5	27.6	27.6	27.5	27.4	27.6
Insurance	21.9	21.4	21.4	21.5	21.6	21.7	21.9	21.9	22.1	22.1	22.0	22.2	22.4
Real Estate	23.8	22.8	23.1	23.1	23.0	23.3	24.0	24.5	24.8	24.7	24.2	23.9	24.2
Services	263.2	247.0	251.9	255.9	259.4	259.8	263.8	265.3	268.4	270.9	270.9	272.6	273.0
Hotels & Other Lodging Places	17.1	15.0	15.2	15.8	16.4	16.9	18.2	19.0	19.4	18.8	17.4	16.7	16.6
Personal Services	10.4	10.3	10.4	10.5	10.7	10.4	10.2	10.1	10.2	10.3	10.4	10.5	10.6
Business Services	43.0	37.9	39.1	39.8	41.0	41.6	42.8	43.6	45.3	45.6	45.7	47.4	46.3
Automotive & Misc. Repair Services	13.8	12.6	12.9	13.1	13.1	13.4	13.8	14.3	14.5	14.4	14.3	14.3	14.5
Motion Pictures & Amusements	13.1	12.3	12.3	12.7	13.0	12.9	13.4	14.1	14.3	13.4	12.6	12.7	13.7
Health Services	77.7	75.0	75.4	76.1	76.7	76.7	77.6	77.5	78.1	79.1	79.4	79.7	80.5
Legal Services	8.5	8.2	8.2	8.3	8.4	8.4	8.6	8.6	8.6	8.6	8.6	8.6	8.6
Private Education	13.8	13.9	14.8	14.9	14.8	14.2	12.2	10.8	10.7	13.8	15.2	15.5	15.1
Social Services	23.3	22.4	22.9	23.0	23.2	23.4	23.3	23.0	23.1	23.6	23.9	24.0	23.9
Engineering & Management Services	17.3	16.1	17.0	17.3	17.3	16.7	17.1	17.4	17.3	17.4	17.6	17.8	18.0
Other Services & NEC	25.3	23.3	23.7	24.4	24.8	25.2	26.6	26.9	26.9	25.9	25.8	25.4	25.2
Government	211.2	209.0	212.4	214.2	214.1	218.5	218.8	194.8	194.2	204.7	217.4	220.4	216.4
Federal Government	31.7	30.0	29.5	29.6	30.4	31.3	33.0	33.3	33.0	33.0	33.2	31.8	31.8
State Government	58.6	57.7	58.9	59.3	59.3	59.7	60.5	55.8	56.4	55.8	60.2	60.4	59.6
Education	23.9	24.4	25.5	25.7	25.3	25.5	25.6	19.9	19.5	19.8	25.2	25.7	25.2
Other State	34.7	33.3	33.4	33.6	34.0	34.2	34.9	35.9	36.9	36.0	35.0	34.7	34.4
Local Government	121.0	121.3	124.0	125.3	124.4	127.5	125.3	105.7	104.8	115.9	124.0	128.2	125.0
Education	75.4	77.9	80.3	81.0	80.1	81.0	78.6	58.0	57.1	69.5	78.9	81.9	80.1
Other Local	45.6	43.4	43.7	44.3	44.3	46.5	46.7	47.7	47.7	46.4	45.1	46.3	44.9
LABOR-MANAGEMENT DISPUTES	1.4	0.1	0.1	0.2	0.1	0.7	2.4	4.9	3.8	1.1	0.8	1.2	1.2

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants. ALL DATA ARE IN THOUSANDS

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force.

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5/ Goods producing industries include manufacturing, mining, and construction.

6/ Service producing industries include transportation, communications, & utilities; trade; finance, insurance, & real estate; services; and government.

7/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.

Local government laid off 400 fewer workers than expected in January. State and federal agencies performed as expected. This means that government as a whole showed the same employment strength as the private sector.

It is a bit early to talk about meaning behind this broad-based retention of workers in the first month of 1990. Certainly the strength of the Oregon economy itself can claim most of the credit. One could also speculate that the structure of some businesses might be changing to reflect the worker shortage. There must be a point at which it becomes more productive to retain workers during slack times like winter than it is to scrounge for new workers in the spring when everyone else is gearing up too.

The effects of the sprinkling of inmigrants into the present economic stew are hard to tell, because the economy is not going to be the only chef in the kitchen. Politics, too, will be changing the very recipe which will determine the taste of future economic meals. Some questions are:

- How much will Oregon citizens and employers be willing to pay to retrain workers with outdated skills and to bring into the work force those who have never had the skills?
- How much and which kinds of growth will Oregonians tolerate when push comes to shove? Many of the state's key livability features seem to be at odds with continuing rapid economic and population growth. Oregonians want both a growing economy and an uncrowded environment with a rural character, even in areas near major urban centers.

The challenge to Oregonians in the 1990s will be to maintain a growing economy, to bring disadvantaged citizens into the work force as part of the solution to the labor shortage, and to deal with growth and prosperity without losing those qualities which have made Oregon attractive in the first place.

A much more thorough discussion of these and other issues concerning Oregon's labor force in the 1990s will be available this spring in a special Employment Division report entitled **Oregon WorkForce at Risk**. Its publication will be announced in **Oregon Labor Trends**. ☐

HOURS AND EARNINGS OF OREGON WORKERS IN SELECTED INDUSTRIES[1]
1989 and 1988 Annual Average on 1989 Benchmark

	Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
	1989	1988	1989	1988	1989	1988
TOTAL MANUFACTURING[2]	$425.52	$416.58	39.4	39.3	$10.80	$10.60
Durable Goods	433.22	427.57	39.6	39.7	10.94	10.77
Lumber & Wood Products	432.38	428.76	39.2	39.3	11.03	10.91
Logging & Sawmills	464.10	457.43	39.0	38.7	11.90	11.82
Veneer & Plywood	421.86	429.20	39.5	40.3	10.68	10.65
Millwork & Structural	362.87	356.09	39.4	40.1	9.21	8.88
Mobile Homes	332.30	321.15	36.8	37.3	9.03	8.61
Other Wood Products	421.20	413.60	40.0	40.0	10.53	10.34
Furniture & Fixtures	346.51	313.63	37.1	36.3	9.34	8.64
Primary Metals	503.40	504.64	41.5	42.3	12.13	11.93
Fabricated Metals	397.49	388.66	39.2	39.7	10.14	9.79
Machinery (Ex Electrical)	448.74	440.30	40.5	40.1	11.08	10.98
Nondurable Goods	401.05	386.45	38.6	38.3	10.39	10.09
Food & Kindred Products	328.62	316.20	37.6	37.2	8.74	8.50
Canning & Preserving	279.33	267.90	36.9	36.8	7.57	7.28
Other Food Products	412.06	393.78	38.8	37.9	10.62	10.39
Textile Mill Products	247.09	238.33	34.9	35.1	7.08	6.79
Apparel	255.26	233.95	38.5	36.9	6.63	6.34
Paper & Allied Products	645.85	638.50	42.8	43.2	15.09	14.78
Printing & Publishing	427.85	401.79	36.6	36.1	11.69	11.13
NONMANUFACTURING						
Construction[2]	561.74	525.26	37.3	36.2	15.06	14.51
Communications & Utilities[3]	550.53	534.97	41.3	40.9	13.33	13.08
Trade[3]	317.97	303.56	34.6	34.3	9.19	8.85
Wholesale Trade	424.78	406.15	38.2	38.1	11.12	10.66
Retail Trade	263.71	252.07	32.8	32.4	8.04	7.78
Banking & Insurance[3]	344.45	329.50	37.4	37.7	9.21	8.74
State & Local Government	396.26	376.90				

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[1] *Figures are averag[illegible]oss hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1987 Standard Industrial Classification (SIC) codes.*
[2] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*
[3] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

BENCHMARK SUMMARY: WEAKER GROWTH GETS STRONGER

Graham Slater

With a title like this, readers will probably fall into two groups. Some will be eaten up with curiosity to find out how an entire article can develop such a theme, while others will search frantically for the comics. At least for the curious group, the following provides a summary of the once-yearly series of events known collectively as "benchmarking."

Let's start with a definition. In the context of employment estimating, benchmarking is an annual project which replaces monthly sample-based employment estimates with near-universe counts from unemployment insurance tax and other records. Benchmarking is completed in early February at which time data for both of the previous two years are republished. By its nature, benchmarking focuses interest on the size of the revisions which are made to the initial estimates and on the effect that these revisions have on measures of the state's economic health. We will review these and other items one by one:

Size of Revision

Total wage and salary employment was revised upwards by 3,700 (+0.3%) for the 1988 annual average and 10,700 (+0.9%) for 1989. The main causal factors were stronger than anticipated growth in construction and services, both of which registered large numbers of new firms. (Monthly employment estimates include a variable to estimate this growth in new firms which are, by nature, not part of the ongoing sample. In these two industries, however, the magnitude of the growth among such firms was underestimated.)

Several important industries experienced little or no revision for 1989. These included total manufacturing (+200); lumber & wood products (-100); food stores (no revision); finance, insurance, & real estate (FIRE) (+100); and government (no revision).

Revised Employment Data -- 1988 and 1989

An accompanying table gives annual average employment for these two years, by major industry. Significant facts for consideration include:

- With the exception of lumber & wood products, manufacturing industries generally fared well last year. Of 19 major manufacturing industries, only 4 recorded employment losses between 1988 and 1989. Several -- primary metals (+800), fabricated metals (+1,100), machinery (+800), and electronic & other electric equipment (+1,500) -- grew strongly, while both printing & publishing and rubber & plastic products reached record levels.
- Lumber & wood products employment dropped by 1,900, largely due to a series of well-publicized mill closures. The impact was felt most in veneer & plywood (-1,600) and logging (-700). Some interest has focused on the role of labor disputes on these year-to-year employment changes. (Those with good memories will remember widespread strikes during the summer of 1988 and the massive Roseburg Lumber strike early in 1989.) After adjusting lumber & wood products employment data to remove any effect from these disputes, the employment decline between 1988 and 1989 is moderated slightly to -1,300. Most of the adjustment falls in the veneer & plywood industry where the over-the-year loss turns into a "labor dispute adjusted" -1,200.
- Construction employment grew by 5,300 (+13.3%) in 1989, following the addition of 4,600 jobs (+13.0%) in 1988. Growth was concentrated in residential & commercial building, along with associated special trades such as electrical, plumbing, heating, & air conditioning contractors.
- The transportation, communications, & utilities (TCU) sector grew more slowly than the economy in general, but this slow growth was not evenly distributed. Neither rail-

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY MAJOR INDUSTRY ACTUAL CHANGE: 1989 VS. 1988 ANNUAL AVERAGES

INDUSTRY	1989 AA	1988 AA	ACTUAL CHANGE	PERCENT CHANGE
TOTAL WAGE & SALARY	**1,206,600**	**1,156,000**	**50,600**	**4.4%**
Goods Producing	263,800	255,300	8,500	3.3%
Service Producing	942,900	900,600	42,300	4.7%
Total Manufacturing	217,200	214,200	3,000	1.4%
Lumber & Wood Products	66,900	68,800	(1,900)	−2.8%
'High-tech' Industries	32,700	31,400	1,300	4.1%
Other Durables	58,900	56,300	2,600	4.6%
Food & Kindred Products	23,600	23,700	(100)	−0.4%
Other Nondurables	35,100	33,900	1,200	3.5%
Total Nonmanufacturing	989,500	941,800	47,700	5.1%
Mining & Quarrying	1,400	1,300	100	7.7%
Construction	45,200	39,900	5,300	13.3%
Transport., Comm., & Utilities	62,900	60,500	2,400	4.0%
Wholesale & Retail Trade	309,600	292,400	17,200	5.9%
Wholesale Trade	78,200	72,900	5,300	7.3%
Retail Trade	231,400	219,500	11,900	5.4%
Finance, Insurance, and Real Estate	75,300	73,300	2,000	2.7%
Services	279,900	263,200	16,700	6.3%
Government	215,200	211,200	4,000	1.9%
Federal Government	32,200	31,700	500	1.6%
State Government	59,200	58,600	600	1.0%
Local Government	123,700	121,000	2,700	2.2%
LABOR-MANAGEMENT DISPUTES	1,800	1,400	400	28.6%

roads nor communications employment changed, and utilities added just 100. On the other hand, transportation except railroads added more than 2,000 jobs, with roughly half in trucking & warehousing.

- Trade employment, which grew by a whopping 17,200 jobs, offered few surprises. Eating & drinking places (+3,400), food stores (+3,000), and general merchandise (+1,000) added the most jobs, while building materials & garden supplies and furniture & home furnishings each added 900 jobs to record double digit percent increases (+12.5% and +10.8% respectively).
- FIRE, like TCU, grew more slowly than the average. In this case, finance and insurance added few jobs, while real estate jumped up by 1,400 (+5.9%).
- Services industries added a total of 16,700 jobs (+6.3%). The most significant factor appeared to be the widespread nature of the growth -- of the eleven services industries for which employment data are now published, eight added at least 1,000 employees last year. In particular, health services and business services added 4,400 and 3,700 jobs respectively.
- Government employment grew much more slowly than employment in the private sector (+1.9% vs 4.9%). Most of the new jobs that did occur came in local government, distributed proportionately between education and non-education agencies.

Winners and Losers

This section is strictly for the numerically curious. While the accompanying table may have little to offer in terms of serious economic analysis, it does provide an interesting comparison between the good and the bad last year. Note how the "winners" columns contain a wide range of industries while the "losers" are limited to just a few.

A Word of Warning:

While annual average comparisons provide a good basis for overall comparisons, there is a value to looking at monthly trends in order to project forward into 1990 and beyond. An accompanying graph depicts employment differences between a particular month in one year, compared with the same month one year before. In other words, the data shown for March 1989 was computed as "March 1989 employment minus March 1988 employment." The word of warning results from the noticeable tailing off which occurred toward the end of 1989. This trend bears close watching in the early months of 1990.

SIC Revision:

Some readers will be intimately familiar with the Standard Industrial Classification (SIC) coding system and manual. For those who are not, it will suffice to say that all industry employment data published by the Oregon Employment Division (and by almost every economic or research agency in the public or private sector) uses the SIC system of coding establishments based on the type of economic activity in which they are engaged. The publication of these benchmarked data reflects the introduction of the new 1987 SIC Manual, which has now replaced the 1972 version. Many industry codes remained unchanged, but some were changed significantly. In particular, industry codes for rapidly changing and/or growing industries such as the high tech group and many services industries were changed (and improved). In addition, the entire FIRE sector was rewritten. One result of these changes was a handful of series breaks, for which data for 1988 and thereafter will not be comparable with those for 1987 and before. The series affected in this way are blast furnaces, iron & steel (SIC 331,2,9), nonferrous metals (other 33), electronic & other electric equipment (36), and instruments & related products (38).

Introduction of New Published Employment Tables:

Given the number of changes forced on us by the SIC revision, this became a good year to review the industries for which we publish employment data. As a result of our own analysis and requests from interested data users we will, starting with 1988 data, be publishing several additional series. These include a breakout between logging and sawmills, 2-digit SIC detail in construction, trade, and most of services, and a clean definition giving separate data series for finance, insurance, and real estate. New annual tables for 1988 and 1989 are included in this edition of **Oregon Labor Trends** and will be distributed formally in the near future.

Hours and Earnings Data:

While most attention focuses on the employment series, hours & earnings data have also been revised for the past two years. Average hourly earnings increased just $0.20 between 1988 and 1989, rising from $10.60 to $10.80. An article in a future edition of **Oregon Labor Trends** will delve into the hours & earnings data more thoroughly. Until then, a table elsewhere in this edition summarizes the data for the past two years.

Readers with any questions regarding the above information are encouraged to contact Graham Slater at (503) 378-2477.□

WINNERS AND LOSERS --
ANNUAL AVERAGE EMPLOYMENT CHANGE, 1988 TO 1989

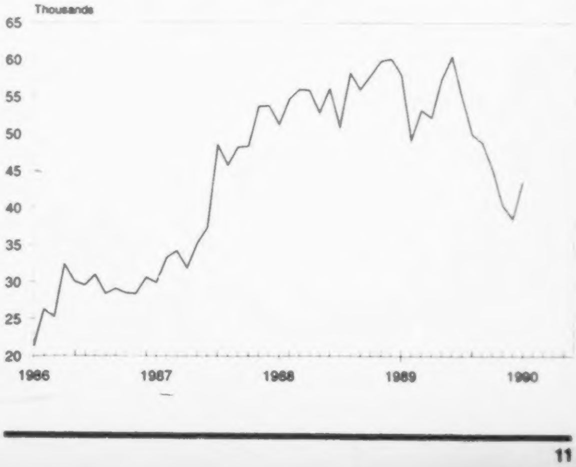
ACTUAL CHANGE

WINNERS		LOSERS	
Health Services	+ 4,400	Veneer and Plywood	- 1,600
Business Services	+ 3,700	Logging	- 700
Special Trade Contractors	+ 3,400	Instruments and Related Prods.	- 700
Eating and Drinking Places	+ 3,400	Other Wood Products	- 200
Food Stores	+ 3,000	Transportation Equipment	- 200

PERCENT CHANGE

WINNERS		LOSERS	
Building Construction	+ 18.8%	Veneer and Plywood	- 9.2%
Fabricated Structural Metals	+ 15.2%	Logging	- 5.5%
Special Trade Contractors	+ 14.1%	Instruments and Related Prods.	- 5.3%
Building Mats. & Garden Supps.	+ 12.5%	Other Wood Products	- 4.5%
Mobile Homes	+ 12.5%	Transportation Equipment	- 1.7%

NONAG WAGE & SALARY EMPLOYMENT GROWTH
OVER-THE-YEAR CHANGES



MINIMUM WAGE RISES

John Jagosh

On January 1, 1990, Oregon's minimum wage increased from $3.85 to $4.25 an hour. A further rise to $4.75 an hour will take effect on January 1, 1991.

This is not to be confused with the federal minimum wage which will increase from $3.35 to $3.90 an hour this April. According to Commissioner Mary Wendy Roberts of the Oregon Bureau of Labor and Industries, "the state rate exceeds the federal rate (so) employers come under the state law and must pay employees the higher minimum."

Paul Tiffany, administrator of the Bureau's Wage and Hour Division, reminds employers that federal provisions for a "tip credit" as an offset for the minimum wage and paying a lower than minimum "training wage" to teenagers who have not worked before do not apply in Oregon.

Also, under the new 1989 state law many of the exemptions from minimum wage have been narrowed or eliminated altogether to provide more employees with minimum wage coverage.

Still exempt are casual agricultural workers; youngsters paid piece rates for harvesting; baby sitters and other domestic homeworkers (exempt from the state rate but not the federal rate in some cases); and individuals engaged in the range production of livestock.

For additional information, contact the Bureau of Labor and Industries, Wage and Hour Division or the Technical Assitance Unit (phone 229-5841). ☐

STATE OF OREGON UNEMPLOYMENT RATES BY AREA

January 1990

	Civilian Labor Force	Total Employment	Unemployment	Rate[1]
State of Oregon	1,439,600	1,351,800	87,800	6.1
Eugene MSA[2]	145,800	137,100	8,700	6.0
Medford MSA[3]	71,060	65,820	5,240	7.4
Portland PMSA[4]	661,200	632,900	28,300	4.3
Salem MSA[5]	130,600	121,500	9,100	7.0
Baker	6,870	6,200	670	9.8
Benton	37,370	35,990	1,380	3.7
Clatsop	17,560	16,060	1,500	8.5
Columbia	17,360	16,060	1,300	7.5
Coos	26,690	23,980	2,710	10.2
Crook	7,070	6,560	510	7.2
Curry	9,200	8,320	880	9.6
Deschutes	40,160	37,270	2,890	7.2
Douglas	45,910	41,690	4,220	9.2
Gilliam	980	930	50	5.1
Grant	4,450	4,000	450	10.1
Harney	4,020	3,680	340	8.5
Hood River	9,700	8,940	760	7.8
Jefferson	6,410	5,880	530	8.3
Josephine	26,440	24,220	2,220	8.4
Klamath	25,730	23,380	2,350	9.1
Lake	3,960	3,430	530	13.4
Lincoln	18,990	17,480	1,510	8.0
Linn	42,830	38,970	3,860	9.0
Malheur	12,040	11,070	970	8.1
Morrow	3,720	3,300	420	11.3
Sherman	720	640	80	11.1
Tillamook	9,060	8,250	810	8.9
Umatilla	28,770	25,300	3,470	12.1
Union	11,130	10,340	790	7.1
Wallowa	3,720	3,450	270	7.3
Wasco	9,470	8,520	950	10.0
Wheeler	590	510	80	13.6

[1] *Not Seasonally Adjusted*

[2] *Lane County*

[3] *Jackson County*

[4] *Clackamas, Multnomah, Washington, Yamhill counties*

[5] *Marion and Polk counties*

LMI LABOR MARKET INFORMATION

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MARCH 1990

OREGON LABOR TRENDS

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INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Feb.	1990	5.1
Jan.	1990	4.9
Feb.	1989	5.8

United States (Seas. Adj.)

Feb.	1990	5.3
Jan.	1990	5.3
Feb.	1989	5.2

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

Feb.	1990	132.3
Jan.	1990	132.1
Dec.	1989	130.5
Nov.	1989	130.2
Oct.	1989	129.9

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Jan.	1990	$11.06
Dec.	1989	$11.02
Jan.	1989	$10.74

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Jan.	1990	38.6
Dec.	1989	40.0
Jan.	1989	38.6

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
July-Dec. 1989	121.6
Yearly change	4.9%
Annual Average 1989	120.4
Yearly change	5.0%
United States	
Feb. 1990	128.0
Yearly change	5.3%
Annual Average 1989	124.0
Yearly change	4.8%

Portland Hotline 326-4132

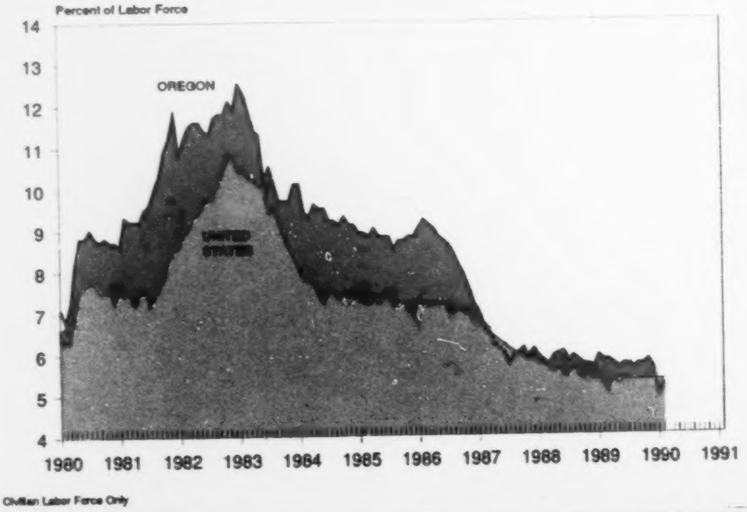
FEBRUARY FINDS CONVERGENCE ELUSIVE AS EVER

Gary Sincick

Not so very long ago, a great commotion was caused by an astronomical phenomenon known as the Harmonic Convergence, in which various heavenly bodies were, for a brief time, in rare alignment with one another. This event was heralded by a certain segment of the population as having many wondrous and beneficial effects, and was seen as a general cause for celebration. A similar level of excitement might be observed in another sub-group (namely, economists) over a different sort of convergence, that of economic indicators. Such an "Economic Convergence" would result in certain knowledge of the exact state of the economy and the direction it was headed. Unfortunately, short-term economic trends (and their subsequent interpretations) tend to be far more capricious than the forces governing celestial motion.

Nationally, the economic news is good or bad, depending on where you look. Despite the stalwart efforts of the Federal Reserve to curb inflation without stalling the economy, the consumer price index leapt up by a frightening 1.1% in January. Much of this increase, however, was due to the rapid rise in heating oil and food prices brought on by a vicious cold snap in much of the Midwest. Although the February CPI data were not yet available at the time of this writing, wholesale prices were reported unchanged, an encouraging sign that the CPI may also show improvement. An in-depth look at the CPI and how it is determined is contained in this month's **Oregon Labor Trends**.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



OREGON RESIDENT LABOR FORCE (BY PLACE OF RESIDENCE)

	FEB.1/ 1990	JAN.2/ 1990	FEB. 1989	CHANGE FROM JAN. 1990	CHANGE FROM FEB. 1989
CIVILIAN LABOR FORCE 3/	1,446,200	1,460,800	1,468,500	- 14,600	- 22,300
UNEMPLOYMENT	87,300	85,200	98,200	2,100	- 10,900
PERCENT OF LABOR FORCE	6.0	5.8	6.7	XXX	XXX
SEASONALLY ADJUSTED PERCENT	5.1	4.9	5.8	XXX	XXX
TOTAL EMPLOYMENT 4/	1,358,900	1,375,600	1,370,300	- 16,700	- 11,400

1/ Preliminary
2/ Revised
3/ Includes employed and unemployed individuals 16 years and older, adjusted for multiple job-holding and commuting.
4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.
5/ Includes full- and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: These data are estimated in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration. All data are based on the 1987 Standard Industrial Classification (SIC) codes.
6/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of 0.8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).
7/ Goods producing industries include manufacturing, mining, and construction.
8/ Service producing industries include transportation, communications, and utilities; trade; finance, insurance, and real estate; services; and government.
9/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.
10/ Employees involved in labor disputes are not included in wage and salary employment counts.

In what would appear to be good news, the December merchandise trade deficit fell to $7.2 billion, the lowest level since comparable records have been kept. There is concern, though, that the drop in imports (-$2.9 billion) may be indicative of a weakening domestic economy. This concern is corroborated by January's decline in durable goods orders, which dropped by 10.5%.

The national unemployment rate in February continued to hold steady at 5.3% for the ninth straight month, leaving few people unconvinced that the trend is flat. Job growth was primarily concentrated in the services-producing sector. Although 90,000 factory jobs were added, these were mostly workers returning from temporary layoffs.

Oregon's employment statistics, while giving no signs of the aforementioned convergence, did show indications of a relatively slack month. The state's unemployment rate rose to 5.1%, up 0.2 from January. Alert readers may wonder how last month's published unemployment rate of 5.2% could rise 0.2 to 5.1%. The answer is that last month's rate has been revised downward to 4.9% as the result of benchmarking. Monthly statewide labor force statistics have been revised for both 1988 and 1989, and are included in this month's issue. Details of the annual benchmark revisions of labor force and unemployment data will be covered in an upcoming **Oregon Labor Trends** article.

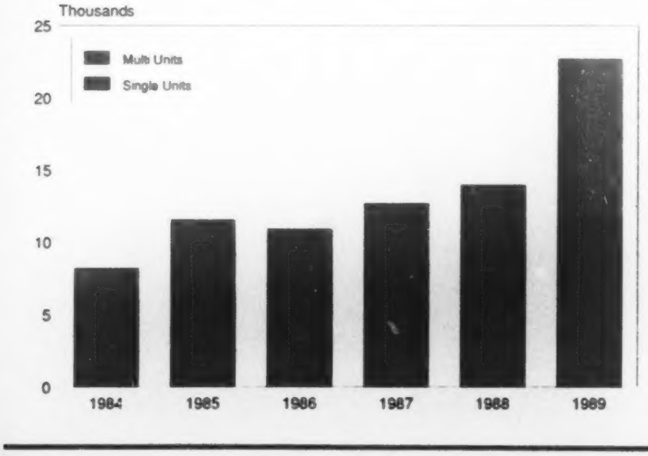
. . .unemployment in February has not been lower since 1978. . .

Unemployment insurance claims increased by 12% over January's level, for a total of 40,314. The increase in claimants helped to push up the total number of unemployed Oregonians to 87,300. Even given the increase, however, unemployment in February has not been lower since 1978; this is even more impressive considering that the labor force has grown by nearly 300,000 since then.

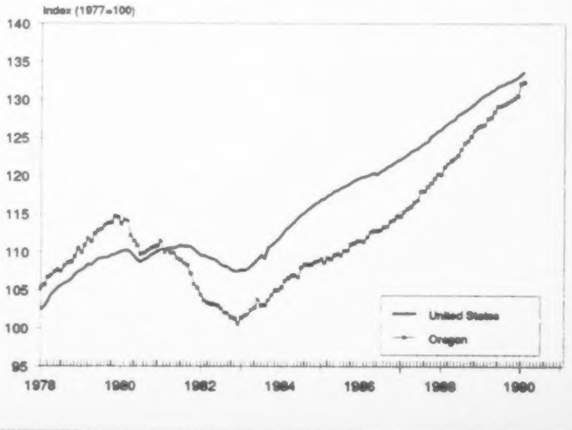
. . .timber supply problems for the forest products industry are likely to worsen.

Despite the rise in the unemployment rate, nonfarm payroll jobs increased modestly by 3,800. The bulk of this change was seen in nonmanufacturing

OREGON HOUSING PERMITS ISSUED



NONFARM WAGE & SALARY EMPLOYMENT INDEXES
(SEASONALLY ADJUSTED)



OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	FEB.1/ 1990	JAN.2/ 1990	FEB. 1989	CHANGE FROM JAN. 1990	CHANGE FROM FEB. 1989
TOTAL 5/	1,211,800	1,208,000	1,162,000	3,800	49,800
WAGE & SALARY EMPLOYMENT INDEX 6/	132.3	132.1	126.7	XXX	XXX
GOODS PRODUCING INDUSTRIES 7/	255,900	257,300	245,700	- 1,400	10,200
SERVICE PRODUCING INDUSTRIES 8/	955,900	950,700	916,300	5,200	39,600
TOTAL MANUFACTURING	212,600	213,500	206,500	- 900	6,100
DURABLE GOODS	156,200	158,000	152,200	- 1,800	4,000
LUMBER & WOOD PRODUCTS	64,000	65,900	63,200	- 1,900	800
LOGGING	9,900	10,700	11,500	- 800	- 1,600
SAWMILLS	22,200	22,600	21,300	- 400	900
VENEER & PLYWOOD	14,900	15,800	14,600	- 900	300
MILLWORK & STRUCTURAL WOOD	10,800	10,700	10,100	100	700
MOBILE HOMES	1,900	1,900	1,800	0	100
OTHER WOOD PRODUCTS	4,300	4,200	3,900	100	400
FURNITURE AND FIXTURES	3,000	2,800	2,900	200	100
STONE, CLAY, GLASS & CONCRETE	4,000	4,100	3,900	- 100	100
PRIMARY METALS	11,400	11,300	10,400	100	1,000
BLAST FURNACES, IRON & STEEL 9/	5,800	5,800	5,400	0	400
NONFERROUS METALS 9/	5,600	5,500	5,000	100	600
FABRICATED METALS	11,800	11,700	12,400	100	- 600
FABRICATED STRUCTURAL METALS	4,900	4,800	5,500	100	- 600
OTHER FABRICATED METALS	6,900	6,900	6,900	0	0
MACHINERY	18,000	17,800	17,000	200	1,000
OFFICE & COMPUTING MACHINES	4,800	4,700	4,200	100	600
OTHER MACHINERY	13,200	13,100	12,800	100	400
ELECTRONIC & OTHER ELECTRIC EQUIPMENT 9/	16,600	16,600	14,900	0	1,700
TRANSPORTATION EQUIPMENT	11,600	11,900	11,100	- 300	500
INSTRUMENTS & RELATED PRODUCTS 9/	12,100	12,200	12,600	- 100	- 500
MISCELLANEOUS MANUFACTURING	3,700	3,700	3,800	0	- 100
NONDURABLE GOODS	56,400	55,500	54,300	900	2,100
FOOD & KINDRED PRODUCTS	21,400	20,300	20,100	1,100	1,300
CANNING & PRESERVING	10,800	9,500	9,900	1,300	900
OTHER FOOD PRODUCTS	10,600	10,800	10,200	- 200	400
TEXTILE MILL PRODUCTS	1,700	1,700	1,700	0	0
APPAREL	2,700	2,700	2,600	0	100
PAPER & ALLIED PRODUCTS	9,000	9,100	9,100	- 100	- 100
PRINTING & PUBLISHING	13,700	13,800	13,100	- 100	600
CHEMICALS & ALLIED PRODUCTS	2,200	2,200	2,100	0	100
PETROLEUM & ASPHALT PRODUCTS	400	400	400	0	0
RUBBER & PLASTIC PRODUCTS	4,800	4,800	4,700	0	100
LEATHER PRODUCTS	500	500	500	0	0
TOTAL NONMANUFACTURING	999,200	994,500	955,500	4,700	43,700
MINING & QUARRYING	1,200	1,200	1,100	0	100
CONSTRUCTION	42,100	42,600	38,100	- 500	4,000
BUILDING CONSTRUCTION	11,200	10,800	10,100	400	1,100
HEAVY CONSTRUCTION	4,100	4,800	4,700	- 700	- 600
SPECIAL TRADE CONTRACTORS	26,800	27,000	23,300	- 200	3,500
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	63,600	63,500	61,100	100	2,500
TRANSPORTATION	42,000	42,100	40,100	- 100	1,900
RAILROAD	3,700	3,800	3,900	- 100	- 200
TRUCKING & WAREHOUSING	24,200	24,000	22,900	200	1,300
OTHER TRANSPORTATION	14,100	14,300	13,300	- 200	800
COMMUNICATIONS	12,600	12,500	12,400	100	200
UTILITIES	9,000	8,900	8,600	100	400
TRADE	309,500	312,300	292,800	- 2,800	16,700
WHOLESALE TRADE	80,000	80,300	75,100	- 300	4,900
DURABLE GOODS	46,500	46,800	44,200	- 300	2,300
MACHINERY, EQUIPMENT, & SUPPLIES	11,100	11,000	10,400	100	700
OTHER DURABLE GOODS	35,400	35,800	33,800	- 400	1,600
NONDURABLE GOODS	33,500	33,500	30,900	0	2,600
GROCERIES & RELATED PRODUCTS	13,200	13,200	11,800	0	1,400
OTHER NONDURABLE GOODS	20,300	20,300	19,100	0	1,200
RETAIL TRADE	229,500	232,000	217,700	- 2,500	11,800
BUILDING MATERIALS & GARDEN SUPPLIES	8,300	8,300	7,000	0	1,300
GENERAL MERCHANDISE	29,000	30,900	27,700	- 1,900	1,300
FOOD STORES	40,800	40,600	36,800	200	4,000
AUTO DEALERS & SERVICE STATIONS	28,800	28,600	28,100	200	700
APPAREL & ACCESSORY STORES	9,600	9,900	8,900	- 300	700
FURNITURE & HOME FURNISHINGS	9,800	9,800	9,000	0	800
EATING & DRINKING PLACES	79,700	79,500	77,000	200	2,700
MISCELLANEOUS RETAIL	23,500	24,400	23,200	- 900	300
FINANCE, INSURANCE, & REAL ESTATE	75,500	75,300	73,600	200	1,900
FINANCE	28,000	28,000	27,600	0	400
INSURANCE	22,100	22,000	22,200	100	- 100
REAL ESTATE	25,400	25,300	23,800	100	1,600
SERVICES	284,300	280,000	271,900	4,300	12,400
HOTELS & OTHER LODGING PLACES	17,400	17,100	16,800	300	600
PERSONAL SERVICES	10,900	10,700	11,000	200	- 100
BUSINESS SERVICES	46,900	46,200	44,700	700	2,200
AUTOMOTIVE & MISC. REPAIR SERVICES	14,800	14,900	14,500	- 100	300
MOTION PICTURES & AMUSEMENTS	14,900	13,900	13,600	1,000	1,300
HEALTH SERVICES	84,400	84,200	80,100	200	4,300
LEGAL SERVICES	8,700	8,600	8,600	100	100
PRIVATE EDUCATION	15,100	14,100	15,400	1,000	- 300
SOCIAL SERVICES	25,500	25,500	23,700	0	1,800
ENGINEERING & MANAGEMENT SERVICES	19,600	18,900	18,800	700	800
OTHER SERVICES & NEC	26,100	25,900	24,700	200	1,400
GOVERNMENT	223,000	219,600	216,900	3,400	6,100
FEDERAL GOVERNMENT	31,600	32,200	30,200	- 600	1,400
STATE GOVERNMENT	60,600	59,400	60,200	1,200	400
EDUCATION	26,100	24,900	25,600	1,200	500
OTHER STATE	34,500	34,500	34,600	0	- 100
LOCAL GOVERNMENT	130,800	128,000	126,500	2,800	4,300
EDUCATION	84,100	81,600	81,700	2,500	2,400
OTHER LOCAL	46,700	46,400	44,800	300	1,900
LABOR-MANAGEMENT DISPUTES 10/	600	500	3,800	100	- 3,200

industries. Manufacturing actually had a net loss of 900 jobs, although February is not typically a great month for these industries. The largest drop was seen in lumber and wood products employment which sank by 1,900. While some of this loss is explained by adverse weather conditions and will soon be regained, closures and layoffs in five veneer and plywood mills may represent job losses of a more permanent nature. A recent Forest Service announcement that more old-growth forests may need to be preserved for spotted owl habitat indicates that timber supply problems for the forest products industry are likely to worsen.

Paper and allied products employment held fairly steady at 9,000 (100 less than the month prior) but did not reflect the Georgia-Pacific strike in Toledo, as it occurred after the week of the employment survey. The strike is affecting over 400 workers and the rhetoric of the dispute appears to be far from conciliatory. This may not be the only labor dispute activity seen in the paper industry in 1990; union contracts covering an additional 1,100 paper workers at four Oregon mills will expire this year.

The only manufacturing industry posting large increases to the employment rolls last month was canning and preserving, up by 1,300. This highly seasonal industry typically increases its employment by as much as 100% between its low in January and its peak in August or September.

On the nonmanufacturing side, employment gains were seen in both services (+4,300) and government (+3,400). Many of the additional jobs in services were due to the onset of the much-delayed ski season. The increase in government jobs was caused largely by seasonal increases in education employment. Government employment should soon be showing some rapid, albeit temporary, growth as the 1990 Census gets into full swing.

February snow and ice caused construction employment to dip by 500 to a total of 42,100. While heavy construction and special trades contracting lost a combined total of 900 jobs, building construction seemed undaunted by the winter weather and actually added 400 jobs. February's overall loss notwithstanding, there would seem to be no reason to believe that the construction industry will not continue to perform very well. Construction employment has increased steadily since 1983 and has been especially rapid in the last two years, coinciding with the pace of recovery in Oregon.

The recent strength of the construction industry is evidenced by the number of building permits issued last year. Statewide single- and multi-family permits totaled 22,724, an astounding 62.3% increase over 1988. This rate was the highest of any state in the nation, according to the Oregon Housing Agency. It comes as no surprise that most of these permits were issued for construction in the Portland metro area; in fact, over half were issued for just two counties, Washington and Clackamas.

Although the levels of employment and building permits portend a bright future, the construction industry, like the forest products industry, may soon be facing supply problems of its own. In this case, the supply in question is not timber, but financing. Intended to clamp down on irresponsible lending, the savings and loan bailout bill has restricted the proportion of working capital a thrift institution may lend to a single customer to 15%. The inadvertent effect of the bill is that some legitimate residential developers are having difficulty obtaining financing for their projects. According to a *Daily Journal of Commerce* article, Martin Perlman, president of the National Association of Home Builders, has said that housing starts nationwide "could fall by 60,000 to 100,000 units this year unless the lending restrictions are loosened." It is not yet clear, however, how much the tightening of thrift financing will affect the housing industry in Oregon. ☐

THE CONSUMER PRICE INDEX - METHODS, USES, AND LIMITATIONS

Bob Wilson

Inflation is currently a hot topic in the news with headlines indicating that some consumer prices are increasing at double-digit rates. At the same time, Fed Chairman Alan Greenspan has announced that the Federal Reserve Board has reduced its 1990 inflation estimate to 4.0 - 4.5 percent from its earlier estimate of 4.5 - 5.0 percent. If news stories touting double-digit price increases are to be believed, how can the overall consumer inflation rate be in the 4 to 5 percent range? To answer this question, let's take a close look at the Consumer Price Index, the most widely used inflation statistic supplied by the U.S. government.

The Consumer Price Index (CPI) is a measure of the average change in prices for a fixed market basket of goods and services purchased by urban consumers. This index is calculated for two different population groups (CPI-U and CPI-W), and for many urban population centers as well as for the U.S. city average. The wage earner index (CPI-W) represents approximately 32 percent of the U.S. population and is comprised solely of urban wage earners and clerical workers. Calculation of this index began over fifty years ago for use in wage negotiations. As the years passed, many new applications for the CPI were developed, thus creating the need for a broader measure of inflation. Introduced in 1978, the CPI-U was developed to meet this need and is now the most commonly used of the two indexes. The CPI-U represents the purchasing patterns of all urban consumers, approximately 80 percent of the U.S. population. Both the CPI-U and CPI-W are released monthly by the Bureau of Labor Statistics (BLS) for the U.S. city average while values for the Portland metro area are available on a semi-annual basis.

CPI CALCULATION METHODOLOGY

Calculation of the Consumer Price Index requires the input of two types of information. It's not enough to simply monitor price changes for a group of consumer products. The purchasing patterns of an "average consumer" in the index population must be determined so that a weighting factor can be assigned to each item in the market basket. It is this weighting process which allows the CPI to estimate the average change in prices for all consumer goods purchased by all urban consumers.

Monitoring price changes for all consumer transactions throughout the U.S. would be an impossible task. Therefore, the CPI is estimated based upon a group of samples. On a monthly basis, selected goods and services are priced at a sample of retail outlets in selected urban areas throughout the nation. Statistical procedures are used to select these samples so that the resulting index is representative of prices for all consumer goods and services in all urban areas.

(con't. on page 9)

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1989 Benchmark
March 1990

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1989 1/

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE	1,475.0	1,461.1	1,468.5	1,463.5	1,481.6	1,472.0	1,504.0	1,511.2	1,487.5	1,460.5	1,464.3	1,466.5	1,459.5
UNEMPLOYMENT	84.0	99.2	98.2	93.8	86.9	80.9	84.3	84.6	77.7	74.4	73.1	78.2	76.8
Percent of Labor Force	5.7	6.8	6.7	6.4	5.9	5.5	5.6	5.6	5.2	5.1	5.0	5.3	5.3
Seasonally Adjusted Percent	5.7	5.9	5.8	5.8	5.7	5.6	5.7	5.7	5.6	5.7	5.7	5.8	5.6
TOTAL EMPLOYMENT	1,391.0	1,361.9	1,370.3	1,369.7	1,394.7	1,391.1	1,419.7	1,426.6	1,409.8	1,386.1	1,391.2	1,388.3	1,382.7

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1989 3/

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
TOTAL WAGE & SALARY	1,206.6	1,159.5	1,162.0	1,176.4	1,187.2	1,205.4	1,227.4	1,209.1	1,218.9	1,231.0	1,237.4	1,235.2	1,230.1
Wage & Salary Emp. Index (1977=100) 4/	128.8	126.6	126.7	127.5	127.7	128.4	129.1	129.2	129.4	129.6	129.9	130.2	130.5
GOODS PRODUCING 5/	263.8	248.6	245.7	250.5	254.3	259.6	270.4	275.2	280.9	278.2	273.1	266.0	262.7
SERVICE PRODUCING 6/	942.9	910.9	916.3	925.9	932.9	945.8	957.0	933.9	938.0	952.8	964.3	969.2	967.4
MANUFACTURING, TOTAL	217.2	209.0	206.5	208.5	209.7	212.7	221.6	225.4	229.7	226.9	222.4	217.5	216.2
Durable Goods	158.5	156.3	152.2	154.5	154.3	157.0	162.3	163.8	163.1	162.0	158.9	158.2	159.1
Lumber & Wood Products	66.9	67.5	63.2	63.6	63.7	64.8	69.6	70.4	69.6	68.8	67.9	67.5	66.7
Logging	12.1	11.8	11.5	11.1	10.9	11.8	12.7	13.1	13.0	12.9	12.7	12.2	11.4
Sawmills	22.7	22.2	21.3	21.6	22.1	22.3	23.6	23.9	23.6	23.2	22.9	22.9	22.8
Veneer & Plywood	15.7	17.3	14.6	14.7	14.6	14.4	16.4	16.4	16.0	15.9	15.8	15.8	15.9
Millwork & Structural Wood	10.4	10.1	10.1	10.4	10.3	10.4	10.7	10.7	10.7	10.5	10.4	10.4	10.5
Mobile Homes	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.8	1.9	1.9
Other Wood Products	4.2	4.3	3.9	4.0	4.0	4.1	4.4	4.4	4.4	4.4	4.3	4.3	4.2
Furniture & Fixtures	3.0	2.9	2.9	3.0	2.9	3.0	3.0	3.0	3.1	3.1	3.1	3.0	2.9
Stone, Clay, Glass, & Concrete	4.2	4.0	3.9	4.0	4.1	4.3	4.4	4.4	4.4	4.4	4.4	4.3	4.2
Primary Metals	11.0	10.4	10.4	10.6	10.7	10.8	11.0	11.2	11.3	11.2	11.3	11.3	11.3
Blast Furnaces, Iron & Steel 7/	5.6	5.3	5.4	5.5	5.5	5.5	5.6	5.7	5.9	5.7	5.8	5.8	5.8
Nonferrous Metals 7/	5.3	5.1	5.0	5.1	5.2	5.3	5.4	5.5	5.4	5.5	5.5	5.5	5.5
Fabricated Metals	12.3	12.2	12.4	12.7	12.7	12.5	12.4	12.4	12.3	12.1	12.1	12.0	11.8
Fabricated Structural Metals	5.3	5.3	5.5	5.7	5.7	5.4	5.2	5.2	5.2	5.0	5.0	5.0	4.9
Other Fabricated Metals	7.0	6.9	6.9	7.0	7.0	7.1	7.2	7.2	7.1	7.1	7.1	7.0	6.9
Machinery	17.6	16.9	17.0	17.1	17.4	17.7	17.8	17.9	18.0	17.9	17.7	17.6	17.8
Office & Computing Machines	4.5	4.2	4.2	4.2	4.3	4.4	4.5	4.6	4.8	4.8	4.8	4.6	4.7
Other Machinery	13.1	12.7	12.8	12.9	13.1	13.3	13.3	13.3	13.2	13.1	12.9	13.0	13.1
Electronic & Other Elect. Equip 7/	15.6	15.1	14.9	15.1	15.0	15.3	15.5	15.7	16.0	16.0	16.1	16.3	16.4
Transportation Equipment	11.4	11.0	11.1	11.8	11.2	12.0	11.9	12.2	11.9	12.1	10.0	10.0	12.1
Instruments & Related Products 7/	12.5	12.6	12.6	12.7	12.7	12.7	12.7	12.7	12.5	12.4	12.3	12.2	12.2
Miscellaneous Manufacturing	3.9	3.7	3.8	3.9	3.9	3.9	4.0	3.9	4.0	4.0	4.0	4.0	3.7
Nondurable Goods	58.7	52.7	54.3	54.0	55.4	55.7	59.3	61.6	66.6	64.9	63.5	59.3	57.1
Food & Kindred Products	23.6	19.4	20.1	19.5	20.5	20.7	23.7	26.1	30.8	29.3	28.2	23.9	21.5
Canning & Preserving	12.9	9.2	9.9	9.4	10.3	10.1	12.9	15.1	19.8	18.4	16.8	12.4	10.3
Other Food Products	10.8	10.2	10.2	10.1	10.2	10.6	10.8	11.0	11.0	10.9	11.4	11.5	11.2
Textile Mill Products	1.8	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Apparel	2.7	2.6	2.6	2.7	2.7	2.6	2.7	2.6	2.7	2.7	2.7	2.7	2.8
Paper & Allied Products	9.1	8.4	9.1	9.0	9.0	9.1	9.3	9.4	9.3	9.2	9.0	9.1	9.1
Printing & Publishing	13.5	13.1	13.1	13.3	13.4	13.4	13.6	13.5	13.7	13.7	13.7	13.9	14.0
Chemicals & Allied Products	2.2	2.1	2.1	2.1	2.2	2.2	2.3	2.3	2.3	2.3	2.2	2.2	2.2
Petroleum & Asphalt Products	0.5	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4
Rubber & Plastic Products	4.9	4.6	4.7	4.8	4.9	4.9	5.0	5.0	5.0	4.9	4.9	4.8	4.8
Leather Products	0.5	0.4	0.5	0.5	0.5	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.5
NONMANUFACTURING, TOTAL	989.5	950.5	955.5	967.9	977.5	992.7	1,005.8	983.7	989.2	1,004.1	1,015.0	1,017.7	1,013.9
Mining & Quarrying	1.4	1.1	1.1	1.2	1.3	1.4	1.5	1.6	1.6	1.6	1.5	1.4	1.4
Construction	45.2	38.5	38.1	40.8	43.3	45.5	47.3	48.2	49.6	49.7	49.2	47.1	45.1
Building Construction	11.4	9.8	10.1	11.1	11.4	11.8	11.8	11.7	12.3	12.2	12.3	11.7	11.1
Heavy Construction	6.3	5.0	4.7	5.3	6.2	6.9	7.4	7.3	7.2	7.2	6.7	6.1	5.4
Special Trade Contractors	27.5	23.7	23.3	24.4	25.7	26.8	28.1	29.2	30.1	30.3	30.2	29.3	28.6

1989 Continued

	Annual Average 2/	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Transport., Comm., & Utilities	62.9	61.0	61.1	61.1	61.8	62.4	63.2	62.9	63.2	64.2	63.9	64.2	65.2
Transportation	41.6	40.1	40.1	40.0	40.6	41.1	41.7	41.4	41.8	42.9	42.7	42.9	43.8
Railroad Transportation	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.8
Trucking & Warehousing	24.0	23.0	22.9	22.8	23.0	23.4	24.0	24.3	24.5	24.8	24.6	24.9	25.7
Other Transportation	13.7	13.2	13.3	13.3	13.7	13.8	13.8	13.2	13.4	14.2	14.2	14.1	14.3
Communications	12.5	12.4	12.4	12.4	12.4	12.4	12.5	12.6	12.6	12.6	12.5	12.5	12.5
Utilities	8.8	8.5	8.6	8.7	8.8	8.9	9.0	8.9	8.8	8.7	8.7	8.8	8.9
Wholesale & Retail Trade	309.6	294.5	292.8	295.9	299.1	305.1	311.0	313.3	316.2	319.4	319.2	323.9	324.8
Wholesale Trade	78.2	74.5	75.1	76.0	76.0	76.7	78.0	78.9	80.0	81.0	80.8	80.6	80.5
Durable Goods	45.7	44.0	44.2	44.7	44.7	45.2	46.0	46.5	46.6	46.4	46.5	46.8	46.9
Machinery, Equipment, & Sup.	10.8	10.4	10.4	10.5	10.7	10.8	11.0	11.0	11.0	10.9	10.9	10.9	11.0
Other Durable Goods	34.9	33.6	33.8	34.2	34.0	34.4	35.0	35.5	35.6	35.5	35.6	35.9	35.9
Nondurable Goods	32.5	30.5	30.9	31.3	31.3	31.5	32.0	32.4	33.4	34.6	34.3	33.8	33.6
Groceries & Related Products	12.5	11.7	11.8	11.8	11.6	11.6	11.7	11.9	13.1	14.2	14.0	13.5	13.3
Other Nondurable Goods	20.0	18.8	19.1	19.5	19.7	19.9	20.3	20.5	20.3	20.4	20.3	20.3	20.3
Retail Trade	231.4	220.0	217.7	219.9	223.1	228.4	233.0	234.4	236.2	238.4	238.4	243.3	244.3
Building Materials & Garden Sup.	8.1	6.9	7.0	7.4	7.8	8.1	8.4	8.6	8.7	8.7	8.5	8.4	8.5
General Merchandise Stores	29.6	29.3	27.7	27.3	27.4	27.7	28.2	28.8	29.0	30.0	31.2	33.8	34.6
Food Stores	39.4	37.1	36.8	37.2	37.9	39.6	40.0	40.5	40.7	40.4	40.6	40.8	41.2
Auto Dealers & Service Stations	28.9	27.8	28.1	28.3	28.8	29.1	29.3	29.6	29.3	29.4	29.3	29.2	28.9
Apparel & Accessory Stores	9.8	9.4	8.9	8.9	8.9	9.1	9.7	10.0	10.2	10.0	9.8	10.9	11.2
Furniture & Home Furnishings	9.2	9.0	9.0	9.0	9.0	9.0	9.1	8.9	9.1	9.5	9.4	9.8	10.1
Eating & Drinking Places	82.3	77.0	77.0	78.5	80.2	82.3	84.7	85.1	85.5	66.3	84.4	83.7	82.4
Miscellaneous Retail	24.2	23.5	23.2	23.3	23.1	23.5	23.6	22.9	23.7	24.1	25.2	26.7	27.4
Finance, Insurance, and Real Estate	75.3	73.1	73.6	74.3	74.7	75.5	76.5	76.8	76.8	76.0	75.7	75.5	75.4
Finance	27.9	27.6	27.6	27.8	27.7	27.8	28.0	28.1	28.2	28.0	27.9	28.1	28.0
Insurance	22.2	22.1	22.2	22.2	22.2	22.3	22.5	22.4	22.4	22.2	22.0	22.0	22.0
Real Estate	25.2	23.4	23.8	24.3	24.8	25.4	26.0	26.3	26.2	25.8	25.8	25.4	25.4
Services	279.9	268.0	271.9	275.7	278.7	280.8	283.2	282.8	284.1	285.9	284.4	282.7	281.1
Hotels & Other Lodging Places	18.4	16.5	16.8	17.2	18.0	18.4	19.7	20.1	20.2	19.3	18.7	18.2	17.7
Personal Services	10.9	10.7	11.0	11.2	11.1	11.0	11.0	10.9	10.8	10.9	10.7	10.6	10.7
Business Services	46.7	43.8	44.7	45.3	46.2	47.3	48.1	47.4	48.0	48.9	47.9	46.9	45.6
Automotive & Misc. Repair Services	15.2	14.4	14.5	14.7	15.1	15.2	15.4	15.7	15.7	15.5	15.4	15.3	15.2
Motion Pictures & Amusements	14.1	13.5	13.6	14.0	14.2	14.5	14.6	14.5	14.5	14.5	13.7	13.3	13.7
Health Services	82.1	79.7	80.1	80.9	80.8	81.2	82.2	82.8	83.3	83.3	83.2	83.6	84.1
Legal Services	8.7	8.5	8.6	8.6	8.6	8.7	8.9	8.8	8.7	8.7	8.6	8.6	8.6
Private Education	14.3	14.6	15.4	15.4	15.5	15.1	12.5	11.7	11.6	14.3	15.2	15.2	14.6
Social Services	24.4	23.5	23.7	23.9	24.1	24.3	24.5	24.0	24.1	24.9	25.0	25.1	25.5
Engineering & Management Services	19.0	18.2	18.8	19.3	19.4	19.0	19.0	18.8	19.0	18.7	19.1	19.2	19.1
Other Services & NEC	26.4	24.6	24.7	25.2	25.7	26.1	27.3	28.1	28.2	26.9	26.9	26.7	26.3
Government	215.2	214.3	216.9	218.9	218.6	222.0	223.1	198.1	197.7	207.3	221.1	222.9	220.9
Federal Government	32.2	30.9	30.2	30.2	31.3	32.1	33.2	33.5	33.5	33.6	32.9	32.4	32.9
State Government	59.2	59.0	60.2	60.7	60.1	60.5	61.7	56.4	56.6	55.4	59.9	60.1	59.6
Education	24.2	24.5	25.6	25.8	25.4	25.7	25.8	20.5	20.1	20.1	25.3	25.8	25.5
Other State	35.0	34.5	34.6	34.9	34.7	34.8	35.9	35.9	36.5	35.3	34.6	34.3	34.1
Local Government	123.7	124.4	126.5	128.0	127.2	129.4	128.2	108.2	107.6	118.3	128.3	130.4	128.4
Education	77.0	79.8	81.7	82.7	81.7	82.4	79.8	59.3	58.4	70.6	81.6	83.9	82.0
Other Local	46.8	44.6	44.8	45.3	45.5	47.0	48.4	48.9	49.2	47.7	46.7	46.5	46.4
LABOR-MANAGEMENT DISPUTES	1.8	1.2	3.8	3.8	3.8	3.6	0.3	0.3	0.3	0.4	2.0	2.0	0.4

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants. ALL DATA ARE IN THOUSANDS

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force.

3/ This nonagricultural wage and salary employment series is based on the 1987 Standard Industrial Classification (SIC) manual. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals. ALL DATA ARE IN THOUSANDS

4/ Total nonagricultural wage and salary employment, seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

5/ Goods producing industries include manufacturing, mining, and construction.

6/ Service producing industries include transportation, communications, & utilities; trade; finance, insurance, & real estate; services; and government.

7/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1989 Benchmark
March 1990

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1988 1/

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE	1,426.0	1,385.4	1,389.9	1,401.3	1,409.0	1,404.4	1,446.0	1,452.0	1,448.1	1,428.5	1,441.8	1,447.7	1,458.0
UNEMPLOYMENT	83.0	95.4	94.2	89.1	84.8	83.3	85.0	84.0	79.9	74.6	72.4	75.6	77.7
Percent of Labor Force	5.8	6.9	6.8	6.4	6.0	5.9	5.9	5.8	5.5	5.2	5.0	5.2	5.3
Seasonally Adjusted Percent	5.8	5.9	5.8	5.7	5.9	6.0	6.0	5.8	5.9	5.8	5.7	5.7	5.6
TOTAL EMPLOYMENT	1,343.0	1,290.0	1,295.7	1,312.2	1,324.2	1,321.1	1,361.0	1,368.0	1,368.2	1,353.9	1,369.4	1,372.1	1,380.3

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1988 3/

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
TOTAL WAGE & SALARY	1,156.0	1,101.5	1,112.8	1,123.2	1,135.0	1,148.0	1,167.0	1,154.2	1,169.0	1,182.2	1,192.2	1,194.8	1,191.6
Wage & Salary Emp. Index (1977=100) 4/	123.4	120.2	121.2	121.6	122.0	122.3	122.7	123.5	124.3	124.6	125.2	126.0	126.4
GOODS PRODUCING 5/	255.3	239.4	242.0	242.7	246.9	250.1	256.7	262.7	271.1	268.3	266.8	260.8	256.4
SERVICE PRODUCING 6/	900.6	862.1	870.8	880.5	888.1	897.9	910.3	891.5	897.9	913.9	925.4	934.0	935.2
MANUFACTURING, TOTAL	214.2	205.7	207.3	206.6	208.5	209.9	214.5	218.4	225.3	222.1	220.9	216.9	213.7
Durable Goods	156.5	151.6	152.9	152.5	154.4	155.2	155.8	158.7	160.5	158.9	160.0	159.4	158.2
Lumber & Wood Products	68.8	67.6	68.0	67.3	68.0	68.8	68.6	69.1	70.4	68.9	70.5	69.8	68.8
Logging	12.8	12.3	12.5	11.9	11.9	12.4	13.3	13.8	14.0	11.2	13.7	13.6	12.8
Sawmills	22.6	22.1	22.3	22.4	22.6	22.7	22.3	22.2	22.6	23.4	23.2	22.8	22.8
Veneer & Plywood	17.3	17.7	17.7	17.6	17.8	17.7	16.7	16.4	16.9	17.5	17.2	17.0	16.9
Millwork & Structural Wood	10.1	9.7	9.7	9.6	9.8	10.0	10.4	10.6	10.6	10.5	10.3	10.2	10.2
Mobile Homes	1.6	1.4	1.4	1.4	1.4	1.5	1.6	1.7	1.8	1.8	1.8	1.8	1.8
Other Wood Products	4.4	4.4	4.4	4.4	4.5	4.5	4.3	4.4	4.5	4.5	4.3	4.4	4.3
Furniture & Fixtures	2.9	2.6	2.6	2.7	2.8	2.8	2.9	3.0	3.0	3.0	3.0	3.0	3.0
Stone, Clay, Glass, & Concrete	4.0	3.6	3.6	3.7	3.9	4.0	4.1	4.2	4.3	4.4	4.3	4.2	4.2
Primary Metals	10.2	9.8	9.8	9.9	10.[illegible]	10.1	10.3	10.4	10.4	10.4	10.3	10.3	10.3
Blast Furnaces, Iron & Steel 7/	5.1	4.9	4.8	4.9	5.0	5.0	5.1	5.2	5.2	5.2	5.2	5.2	5.3
Nonferrous Metals 7/	5.1	4.9	5.0	5.0	5.0	5.1	5.2	5.2	5.2	5.2	5.1	5.1	5.0
Fabricated Metals	11.2	10.1	10.2	10.4	10.6	10.7	11.0	11.4	11.6	11.6	11.9	12.2	12.4
Fabricated Structural Metals	4.6	4.2	4.2	4.3	4.4	4.4	4.5	4.7	4.7	4.7	4.9	5.2	5.4
Other Fabricated Metals	6.5	5.9	6.0	6.1	6.2	6.3	6.5	6.7	6.9	6.9	7.0	7.0	7.0
Machinery	16.8	16.4	16.7	16.8	16.7	16.5	16.6	16.9	17.0	17.0	17.0	16.8	16.9
Office & Computing Machines	4.1	4.1	4.2	4.2	4.0	3.8	3.8	4.1	4.2	4.2	4.3	4.3	4.3
Other Machinery	12.7	12.3	12.5	12.6	12.7	12.7	12.8	12.8	12.8	12.8	12.7	12.5	12.6
Electronic & Other Elect. Equip 7/	14.1	13.3	13.4	13.4	13.6	13.8	13.9	14.3	14.5	14.6	14.6	14.8	15.0
Transportation Equipment	11.6	11.2	11.5	11.1	11.6	11.5	11.3	12.4	12.3	12.0	11.4	11.4	11.1
Instruments & Related Products 7/	13.2	13.5	13.5	13.5	13.5	13.3	13.2	13.1	13.1	13.1	12.9	12.8	12.6
Miscellaneous Manufacturing	3.8	3.5	3.6	3.7	3.7	3.7	3.9	3.9	3.9	3.9	4.1	4.1	3.9
Nondurable Goods	57.6	54.1	54.4	54.1	54.1	54.7	58.7	59.7	64.8	63.2	60.9	57.5	55.5
Food & Kindred Products	23.7	20.6	20.8	20.3	20.0	21.1	24.2	25.7	30.6	29.0	27.2	23.8	21.5
Canning & Preserving	12.8	9.8	10.2	9.6	9.4	10.3	13.2	14.6	19.5	18.0	15.9	12.6	10.5
Other Food Products	10.9	10.8	10.6	10.7	10.6	10.8	11.0	11.1	11.1	11.0	11.3	11.2	11.0
Textile Mill Products	1.8	1.8	1.8	1.8	1.8	1.7	1.8	1.7	1.8	1.7	1.8	1.7	1.7
Apparel	2.6	2.5	2.6	2.5	2.6	2.7	2.7	2.6	2.6	2.7	2.7	2.7	2.7
Paper & Allied Products	8.6	8.8	8.8	8.9	8.8	8.2	8.9	8.6	8.5	8.5	8.2	8.3	8.4
Printing & Publishing	13.2	13.1	13.1	13.1	13.2	13.2	13.2	13.2	13.2	13.3	13.1	13.2	13.4
Chemicals & Allied Products	2.1	2.1	2.1	2.1	2.2	2.2	2.2	2.1	2.2	2.2	2.1	2.1	2.1
Petroleum & Asphalt Products	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.5	0.6	0.5	0.5
Rubber & Plastic Products	4.6	4.3	4.3	4.4	4.5	4.6	4.6	4.7	4.8	4.8	4.7	4.7	4.7
Leather Products	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
NONMANUFACTURING, TOTAL	941.8	895.8	905.5	916.6	926.5	938.1	952.5	935.8	943.7	960.1	971.3	977.9	977.9
Mining & Quarrying	1.3	1.2	1.3	1.2	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.3	1.2
Construction	39.9	32.5	33.4	34.9	37.1	38.9	40.8	42.9	44.4	44.8	44.5	42.6	41.5
Building Construction	9.6	8.3	8.3	8.5	8.9	9.1	9.5	9.8	10.3	10.5	10.5	10.5	10.4
Heavy Construction	6.2	4.1	4.4	4.8	5.7	6.4	6.8	7.2	7.6	7.7	7.4	6.6	6.0
Special Trade Contractors	24.1	20.1	20.7	21.6	22.5	23.4	24.5	25.9	26.5	26.6	26.6	25.5	25.1

1988 Continued

	Annual Average 2/	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Transport., Comm., & Utilities	60.5	58.2	58.6	59.0	59.2	59.7	60.7	60.4	61.3	62.0	61.9	62.1	62.6
Transportation	39.3	37.0	37.4	37.7	37.9	38.4	39.3	39.1	40.0	40.9	40.9	41.1	41.7
Railroad Transportation	3.9	3.8	3.8	3.9	3.9	3.9	3.9	3.9	3.9	3.9	4.0	4.0	3.9
Trucking & Warehousing	22.8	21.2	21.4	21.4	21.7	22.0	22.7	23.1	23.6	23.8	23.7	23.9	24.6
Other Transportation	12.6	12.0	12.2	12.4	12.3	12.5	12.7	12.1	12.5	13.2	13.2	13.2	13.2
Communications	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.4	12.4	12.4	12.3
Utilities	8.7	8.7	8.7	8.8	8.8	8.8	8.9	8.8	8.8	8.7	8.6	8.6	8.6
Wholesale & Retail Trade	292.4	276.2	275.9	279.2	283.0	287.1	293.2	297.1	299.5	301.9	301.5	305.4	309.0
Wholesale Trade	72.9	68.8	69.5	70.2	71.2	71.6	73.2	74.0	74.5	75.6	75.2	75.3	75.4
Durable Goods	42.7	40.6	40.8	41.1	41.8	42.4	43.0	43.4	43.7	43.9	43.6	43.9	44.2
Machinery, Equipment, & Sup.	10.2	9.6	9.6	9.8	10.0	10.2	10.4	10.4	10.5	10.5	10.3	10.4	10.5
Other Durable Goods	32.5	31.0	31.2	31.3	31.8	32.2	32.6	33.0	33.2	33.4	33.3	33.5	33.7
Nondurable Goods	30.2	28.2	28.7	29.1	29.4	29.2	30.2	30.6	30.8	31.7	31.6	31.4	31.2
Groceries & Related Products	11.6	10.8	10.9	10.9	11.0	10.8	11.3	11.5	11.7	12.7	12.7	12.4	12.1
Other Nondurable Goods	18.6	17.4	17.8	18.2	18.4	18.4	18.9	19.1	19.1	19.0	18.9	19.0	19.1
Retail Trade	219.5	207.4	206.4	209.0	211.8	215.5	220.0	223.1	225.0	226.3	226.3	230.1	233.6
Building Materials & Garden Sup.	7.2	6.5	6.5	6.9	7.1	7.3	7.5	7.5	7.5	7.5	7.3	7.2	7.1
General Merchandise Stores	28.6	28.6	27.1	27.1	26.8	26.9	27.2	28.1	28.5	28.7	29.7	31.5	33.0
Food Stores	36.4	33.8	34.1	34.4	34.4	35.3	36.3	37.4	37.7	38.2	38.6	38.3	38.7
Auto Dealers & Service Stations	28.0	26.4	26.4	26.9	27.7	27.9	28.5	28.5	29.0	29.1	28.8	28.5	28.3
Apparel & Accessory Stores	9.2	8.4	8.1	8.3	8.3	8.5	9.2	10.0	9.7	9.5	9.3	10.1	10.6
Furniture & Home Furnishings	8.3	8.2	8.0	8.0	8.1	8.1	8.2	8.2	8.3	8.4	8.6	8.8	9.1
Eating & Drinking Places	78.9	73.6	74.1	75.2	77.4	79.5	81.2	81.7	82.3	82.6	80.4	79.9	79.4
Miscellaneous Retail	22.9	21.9	22.1	22.2	22.0	22.0	21.9	21.7	22.0	22.3	23.6	25.8	27.4
Finance, Insurance, and Real Estate	73.3	71.7	72.0	72.2	72.4	72.8	73.8	73.9	74.5	74.4	73.7	73.5	74.2
Finance	27.6	27.5	27.5	27.6	27.8	27.8	27.9	27.5	27.6	27.6	27.5	27.4	27.6
Insurance	21.9	21.4	21.4	21.5	21.6	21.7	21.9	21.9	22.1	22.1	22.0	22.2	22.4
Real Estate	23.8	22.8	23.1	23.1	23.0	23.3	24.0	24.5	24.8	24.7	24.2	23.9	24.2
Services	263.2	247.0	251.9	255.9	259.4	259.8	263.8	265.3	268.4	270.9	270.9	272.6	273.0
Hotels & Other Lodging Places	17.1	15.0	15.2	15.8	16.4	16.9	18.2	19.0	19.4	18.8	17.4	16.7	16.6
Personal Services	10.4	10.3	10.4	10.5	10.7	10.4	10.2	10.1	10.2	10.3	10.4	10.5	10.6
Business Services	43.0	37.9	39.1	39.8	41.0	41.6	42.8	43.6	45.3	45.6	45.7	47.4	46.3
Automotive & Misc. Repair Services	13.8	12.6	12.9	13.1	13.1	13.4	13.8	14.3	14.5	14.4	14.3	14.3	14.5
Motion Pictures & Amusements	13.1	12.3	12.3	12.7	13.0	12.9	13.4	14.1	14.3	13.4	12.6	12.7	13.7
Health Services	77.7	75.0	75.4	76.1	76.7	76.7	77.6	77.5	78.1	79.1	79.4	79.7	80.5
Legal Services	8.5	8.2	8.2	8.3	8.4	8.4	8.6	8.6	8.6	8.6	8.6	8.6	8.6
Private Education	13.8	13.9	14.8	14.9	14.8	14.2	12.2	10.8	10.7	13.8	15.2	15.5	15.1
Social Services	23.3	22.4	22.9	23.0	23.2	23.4	23.3	23.0	23.1	23.6	23.9	24.0	23.9
Engineering & Management Services	17.3	16.1	17.0	17.3	17.3	16.7	17.1	17.4	17.3	17.4	17.6	17.8	18.0
Other Services & NEC	25.3	23.3	23.7	24.4	24.8	25.2	26.6	26.9	26.9	25.9	25.8	25.4	25.2
Government	211.2	209.0	212.4	214.2	214.1	218.5	218.8	194.8	194.2	204.7	217.4	220.4	216.4
Federal Government	31.7	30.0	29.5	29.6	30.4	31.3	33.0	33.3	33.0	33.0	33.2	31.8	31.8
State Government	58.6	57.7	58.9	59.3	59.3	59.7	60.5	55.8	56.4	55.8	60.2	60.4	59.6
Education	23.9	24.4	25.5	25.7	25.3	25.5	25.6	19.9	19.5	19.8	25.2	25.7	25.2
Other State	34.7	33.3	33.4	33.6	34.0	34.2	34.9	35.9	36.9	36.0	35.0	34.7	34.4
Local Government	121.0	121.3	124.0	125.3	124.4	127.5	125.3	105.7	104.8	115.9	124.0	128.2	125.0
Education	75.4	77.9	80.3	81.0	80.1	81.0	78.6	58.0	57.1	69.5	78.9	81.9	80.1
Other Local	45.6	43.4	43.7	44.3	44.3	46.5	46.7	47.7	47.7	46.4	45.1	46.3	44.9
LABOR-MANAGEMENT DISPUTES	1.4	0.1	0.1	0.2	0.1	0.7	2.4	4.9	3.8	1.1	0.8	1.2	1.2

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants. ALL DATA ARE IN THOUSANDS

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force.

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6/ Service producing industries include transportation, communications, & utilities; trade; finance, insurance, & real estate; services; and government.

7/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.

TABLE 1

PORTLAND AREA CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U)
(ALL ITEMS, 1982-84 = 100)

YEAR	CPI-U	% CHANGE	YEAR	CPI-U	% CHANGE
1970	38.7		1982	98.0	3.2
1971	39.7	2.6	1983	99.1	1.1
1972	40.8	2.8	1984	102.8	3.7
1973	43.5	6.6	1985	106.7	3.8
1974	48.8	12.2	1986	108.2	1.4
1975	53.5	9.6	1987	110.9	2.5
1976	57.0	6.5	1988	114.7	3.4
1977	61.6	8.1	1989	120.4	5.0
1978	67.8	10.1	1990	*126.3	*4.6
1979	77.0	13.6	1991	*133.2	*5.4
1980	87.2	13.2	1992	*140.9	*5.8
1981	95.0	8.9	1993	*148.1	*5.1

* 1990 thru 1993 are projections from the March 1990 **Oregon Economic and Revenue Forecast** published by the Executive Department, State of Oregon.

According to the **BLS Handbook of Methods**, "Prices for the goods and services used to calculate the index are collected in 91 urban areas throughout the country and from about 21,000 retail and service establishments - supermarkets, department stores, filling stations, hospitals, etc. In addition, data on rents are collected from 40,000 tenants and 20,000 owner-occupied housing units."

The fixed market basket of consumer goods and services consists of seven major expense categories: food and beverages, housing, apparel and upkeep, transportation, medical care, entertainment, and other goods and services. On a monthly basis, the CPI is determined by repricing the many goods and services within each major category and then comparing the total cost with the cost of these goods during a specified base period. In the case of the CPI-U and CPI-W, the current base period is 1982-84 and the base period average cost of the market basket has been arbitrarily set equal to 100.

WEIGHTING FACTORS

Integral to the process of calculating the Consumer Price Index is data obtained from the Consumer Expenditure Survey. This survey estimates the amount spent on each CPI expenditure category by the average consumer in each index population. This information is used to calculate a weighting factor for each CPI category. Since the CPI-U and the CPI-W are composed of different population groups, the weighting factors for each index are calculated separately.

In theory, weighting factors are a simple concept. If the average consumer spends more on housing than food, then more emphasis needs to be placed on price changes in the housing component. This makes intuitive sense but unfortunately the application of this concept becomes more complicated. Each weighting factor in the CPI is comprised of two parts: a fixed purchase quantity (i.e., 2 dozen eggs) multiplied by a variable price. The fixed purchase quantities are updated approximately every ten years to reflect changes which have occurred in consumer purchasing patterns. The most recent revision took place in 1987 and was based on Consumer Expenditure Survey data for the period 1982-84. Price changes on the other hand are monitored on a monthly basis and used to continually update the relative importance of each expenditure item.

Returning to the housing and food example, if food prices increase at a more rapid pace than housing, then the weight given to food goes up while the weight assigned to housing decreases. If the methodology of this concept is confusing, don't worry. The important point is this: in the CPI calculation process, more emphasis is placed on price changes in high expenditure categories. At least for most of us, this means that a 10 percent increase in rent costs would be more disconcerting (and also have a greater impact on the CPI) than if jelly beans were to double in price. Table 2 lists the 1987 weighting factors for both the Portland and the U.S. CPI-U and CPI-W. Note that each expense category is comprised of many components. Housing, for example, is an aggregate of over forty sub-categories of housing expenditures.

CPI INDEX USES

It has been estimated that an increase of one percent in the CPI could result in a $2.8 billion increase in federal expenditures.

As the most widely used inflation statistic provided by the U.S. government, virtually every American is affected by fluctuations in the CPI. According to the Bureau of Labor Statistics, over three million wage earners are covered by collective bargaining contracts which tie wage increases directly to increases in the CPI. In addition, 38 million Social Security beneficiaries, 3 million military and Federal Civil Service retirees and survivors, and approximately 19 million food stamp recipients have their benefits tied to the CPI. It has been estimated that an increase of one percent in the CPI could result in a $2.8 billion increase in federal expenditures. In addition to these government programs, many private con-

TABLE 2

	Portland		U.S.	
Expenditure category	**CPI-U**	**CPI-W**	**CPI-U**	**CPI-W**
All items	100.000	100.000	100.000	100.000
Food and beverages	18.812	18.212	17.607	19.449
Housing	42.648	41.616	42.479	39.949
Apparel and upkeep	5.893	5.248	6.335	6.358
Transportation	16.034	19.692	17.451	19.411
Medical care	6.158	4.381	5.828	4.947
Entertainment	4.589	4.532	4.368	4.044
Other goods and services	5.866	6.318	5.931	5.840
Commodities	44.629	45.718	45.531	49.440
Services	55.371	54.282	54.469	50.560

tracts (such as rental, child support and alimony agreements) use the CPI to help prevent loss of purchasing power in the face of rising prices. Since 1985, all federal taxpayers have been affected by the CPI as tax rates have been adjusted to prevent inflation caused "bracket creep."

As an economic indicator, changes in the CPI are used by the President, Congress, and the Federal Reserve Board to form both fiscal and monetary policies. Investors, business leaders, and individuals use trends in the CPI to make economic decisions, and the CPI is used to adjust (or deflate) other economic variables to eliminate the effects of inflation. Wages, GNP, and retail sales are all examples of series which are commonly deflated to eliminate changes due to inflation.

Should you contemplate using the CPI in a contract escalation clause, please note that the BLS strongly recommends use of the U.S. city average CPI. While the use of a regional index may sound appealing, these indexes represent a subset of the national index and as such are more volatile and subject to a higher risk of sampling error. For those readers wanting more information, the Bureau of Labor Statistics has published a brief guide entitled, "Using the Consumer Price Index for Escalation" (January 1989), Report 761. Copies are available at no charge from the BLS regional office at:

71 Stevenson St.
P.O. Box 3766
San Francisco, CA 94119-3766
Phone (415) 744-6600

LIMITATIONS OF THE CPI

Despite the numerous applications to which the CPI is applied, the BLS admits that the CPI has its limitations. Quoting from the BLS Handbook, 1988 edition, "It should be understood that the CPI may not be applicable to all questions about price movements for all population groups. For example, the indexes are designed to represent the average movement of prices for the U.S. urban population and, thus, are not precisely appropriate for use by nonurban residents. Also, the CPI does not provide data separately for the rate of inflation experienced by any particular subgroup of the population, such as the elderly."

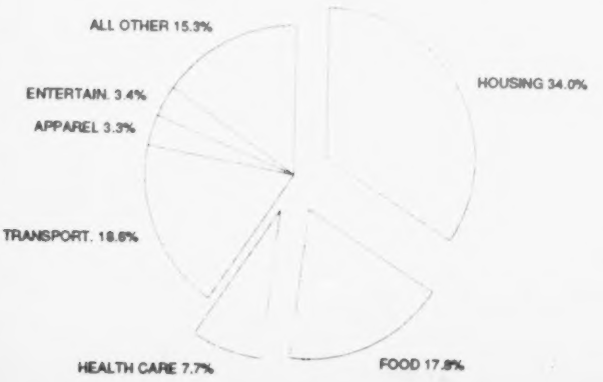
The importance of this point should not be overlooked. If the topic of interest is the average price change experienced by average urban consumers, great! There is no better indicator than the CPI. However, for smaller demographic groups or family units, watch out! These smaller groups may or may not approximate the "average" consumer in the index population. For example, the accompanying pie charts illustrate the difference in spending patterns between U.S. consumers in the 2nd and 4th income quintiles as determined by the 1987 Consumer Expenditure Survey. (Income quintiles are calculated by dividing the frequency distribution of incomes into five equal classes. The 2nd quintile contains lower than average incomes while the 4th quintile contains higher than average incomes.)

These charts show that food, housing, and health care account for 59.3 percent of total expenses for the 2nd quintile group while the same expenses total only 48.6 percent in the 4th quintile group. As expected, the difference is even greater between the 1st and 5th quintiles. It is not surprising then that inflation affects these income groups in different ways depending on which expense categories are driving inflation. Also note that the average consumer unit size is 2.6 people. Expense data for various size consumer units show similar variations in expense patterns as those for the differing income groups. For a larger than average family with a lower than average income, the CPI says very little about the increasing costs experienced by this unit. This family is simply too far from "average" to allow meaningful use of the CPI.

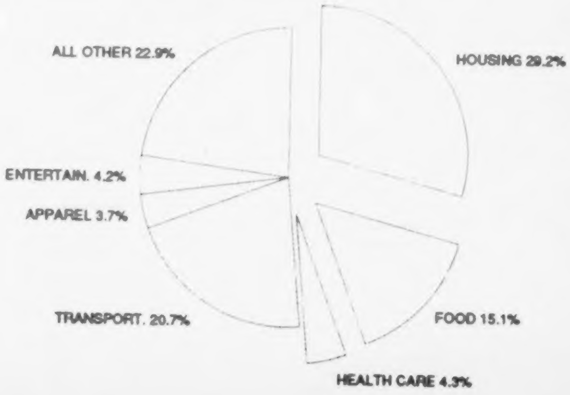
Another limitation of the CPI is common to all statistics based on a sample; there is the possibility that price changes measured in the sample do not reflect the actual price changes within the population. However, this risk is small in comparison to a more worrisome characteristic of the CPI. A fixed market basket makes for easy comparison of price changes over time but it does not reflect consumer buying behavior. When prices increase, consumers will adjust their purchasing patterns, if possible. Where substitutes exist, the consumer may shift to a cheaper product. If there is no substitute, the amount of the commodity purchased may be reduced. Consumers do not shop with "fixed" market baskets.

While the prior limitations affect all components of the CPI, weaknesses may also exist in the way some expense categories are calculated. For example, certain goods and services may be purchased by only a small portion of the population during any survey period (a car for instance). It should be apparent that those buying a car are the only group of consumers experiencing inflation in car prices, yet the CPI averages this increase over all consumers. This tends to dilute the effect of inflation on

AVERAGE CONSUMER EXPENDITURES - 2ND 20%
BASED ON 1ST QTR 1987 CONSUMER EXP SURV



AVERAGE CONSUMER EXPENDITURES - 4TH 20%
BASED ON 1ST QTR 1987 CONSUMER EXP SURV



those purchasing cars while inaccurately indicating a price increase for non-purchasers.

Medical costs are another problem area. The weighting factor used for health care includes only medical costs paid directly by the consumer, thus excluding payments made by employers for medical insurance programs. While this may be appropriate in a fairly stable price environment, consider what is currently happening in labor contract negotiations. Employers, faced with rapidly increasing insurance premiums, are forcing employees to accept either reduced benefits or lower wage increases, or both. If employees choose to maintain their benefits at the "expense" of a smaller wage increase, they are "paying" for a health care benefit that is not included in the CPI. Considering the fact that health care costs have increased at double the overall inflation rate since at least 1983, this is a significant problem.

> ***. . .the CPI cannot be used to compare living costs between different locations.***

Finally, while sales taxes are included in CPI calculations, income taxes are not. As a result, the CPI is unaffected by income tax reform even though tax changes may have significant effects on purchasing power. In addition, it should be noted that the CPI cannot be used to compare living costs between different locations. The CPI measures only price changes, not comparative price levels. Questions of this nature can be referred to a cost-of-living index such as the American Chamber of Commerce Researchers Association (ACCRA) index.

CONCLUSIONS

If you've stayed with me throughout this article, you're now an informed CPI user; aware of some of its applications and limitations. Don't be dismayed by the emphasis placed upon its limitations. The CPI is a powerful tool with many appropriate uses. As with any tool, however, misuse can occur without a thorough understanding of its strengths and weaknesses. In an upcoming **Oregon Labor Trends** article we'll look at both recent and long-term CPI trends. In addition, we'll examine the effects of inflation on Oregon's citizens and look at the ACCRA index. In the meantime, it should be clear that it is indeed possible to have double-digit increases in some expense categories while maintaining a low overall inflation rate. Stay tuned.

Current CPI data for both Portland and the U.S. is available from the Bureau of Labor Statistics Portland Hotline, (503) 326-4132.

☐

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Jan.[2] 1990	Dec.[3] 1989	Jan. 1989	Jan.[2] 1990	Dec.[3] 1989	Jan. 1989	Jan.[2] 1990	Dec.[3] 1989	Jan. 1989
TOTAL MANUFACTURING[4]	$426.92	$440.80	$414.56	38.6	40.0	38.6	$11.06	$11.02	$10.74
Durable Goods	431.46	446.93	420.20	38.8	40.3	38.8	11.12	11.09	10.83
Lumber & Wood Products	428.85	443.29	417.53	38.6	39.9	38.2	11.11	11.11	10.93
Logging & Sawmills	453.12	474.81	445.33	38.4	39.8	37.9	11.80	11.93	11.75
Veneer & Plywood	425.37	423.36	410.58	38.6	39.2	38.3	11.02	10.80	10.72
Millwork & Structural	377.70	391.64	356.33	39.8	41.4	39.2	9.49	9.46	9.09
Mobile Homes	345.35	348.18	316.03	36.2	37.6	36.2	9.54	9.26	8.73
Other Wood Products	424.54	437.47	404.14	38.7	41.0	38.6	10.97	10.67	10.47
Furniture & Fixtures	322.18	352.26	296.52	35.6	38.0	34.6	9.05	9.27	8.57
Primary Metals	466.38	506.69	503.10	37.4	41.6	42.1	12.47	12.18	11.95
Fabricated Metals	394.20	402.98	380.77	37.4	39.2	38.5	10.54	10.28	9.89
Machinery (Ex Electrical)	444.96	458.59	447.63	39.8	40.8	40.4	11.18	11.24	11.08
Nondurable Goods	412.35	425.13	395.39	37.9	39.4	37.8	10.88	10.79	10.46
Food & Kindred Products	338.98	366.37	326.50	36.1	39.1	35.8	9.39	9.37	9.12
Canning & Preserving	296.48	317.95	276.35	36.2	38.4	34.5	8.19	8.28	8.01
Other Food Products	389.52	426.00	386.80	36.0	40.0	37.3	10.82	10.65	10.37
Textile Mill Products	239.77	270.84	254.10	32.8	36.6	35.0	7.31	7.40	7.26
Apparel	261.02	259.38	245.15	38.9	39.3	37.2	6.71	6.60	6.59
Paper & Allied Products	645.92	660.72	627.13	42.3	43.1	43.4	15.27	15.33	14.45
Printing & Publishing	432.89	435.34	405.61	36.5	36.8	35.8	11.86	11.83	11.33
Construction[4]	542.91	567.67	506.60	35.3	37.2	34.0	15.38	15.26	14.90
Communications & Utilities[5]	597.82	544.32	538.07	42.1	40.5	41.2	14.20	13.44	13.06
Trade[5]	310.25	320.63	310.19	32.9	34.7	33.9	9.43	9.24	9.15
Wholesale Trade	413.65	429.40	417.09	36.9	37.7	38.3	11.21	11.39	10.89
Retail Trade	257.71	267.92	255.82	30.9	33.2	31.7	8.34	8.07	8.07
Banking & Insurance[5]	342.65	341.51	348.30	35.0	36.1	37.9	9.79	9.46	9.19
State & Local Government	403.53	402.65	384.89						

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[1] Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

[2] Preliminary

[3] Revised

[4] Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

[5] Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

POLL FINDS AMERICANS NEED CAREER INFORMATION

Nancy Hargis

A 1989 survey conducted by The Gallup Organization found that almost two-thirds of adult Americans (65 percent) would try to get more information about their career options if they could chart their career paths again. Conducted for the National Occupational Information Coordinating Committee (NOICC) and the National Career Development Association (NCDA), "Work in America" focused on a variety of issues concerning jobs, careers and the workplace, including sources of job information, sources of help in finding jobs, job stability, productivity, and job discrimination.

According to the survey, an estimated 12.5 million U.S. adults needed help last year in finding or selecting a job. Forty one percent of working Americans followed a definite plan in mapping out their careers, while 30 percent got started by chance or took the only job available.

A majority of employed adults (56 percent) expect to stay with their current employer for the next three years, while 20 percent expect to leave their current job. About one in ten anticipate being forced out of their current employment, and 12 percent expect to leave the labor force either temporarily or permanently. In 1989, slightly fewer adults expect to remain in their current position over the next three years than they did in a similar 1987 survey.

College graduates (62 percent) and individuals who attended but did not graduate from college (48 percent) are more likely than high school graduates (32 percent) or those who did not graduate from high school (21 percent) to plan their careers. Twenty five percent of those who did not finish high school took the only job available, compared to eight percent of college graduates and individuals who attended college and 14 percent of high school graduates.

Newspapers and magazines are cited by 38 percent as sources of information about jobs. Twenty two percent name career information centers in colleges; 19 percent identify public and private employment services; 13 percent name high school career centers; and 11 percent cite public libraries as sources of information about jobs. Survey findings indicate that Asians are more likely to use college career information centers than other racial/ethnic groups.

More than a quarter of the respondents indicate that they needed assistance in finding information about jobs. Almost one quarter of U.S. adults say information they needed when they were making a decision about jobs was not available. African-Americans, persons 66 and older, and individuals who did not graduate from high school are more likely than others to say that the information they needed when they were making decisions about jobs was not available.

Fifty three percent of working Americans say the public high schools are not doing enough to help students who do not go to college develop the skills they need to find jobs after they graduate from high school. Forty four percent say they believe that the schools are not doing enough to help students choose careers, and 41 percent think that high schools need to do more to help students learn how to use occupational information about salaries and working conditions. The only area where adults believe that schools in their community are devoting about the right amount of attention to the students' education is in preparation for college.

A majority of employed respondents (55 percent) feel that their skills and abilities are being used "very well" in their present or most recent job. Employed respondents living in the South and West are more likely than those living in the East and Midwest to say that their skills and abilities are being used "very well."

For further information on the survey or a detailed report on its findings, contact Nancy Hargis, Oregon Occupational Information Coordinating Committee, 875 Union Street NE, Salem, OR 97311. Telephone (503) 378-8146 or toll-free (800) 237-3710 ext. 8-8146. ☐

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OREGON LABOR TRENDS

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INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Mar.	1990	5.0
Feb.	1990	5.2
Mar.	1989	5.8

United States (Seas. Adj.)

Mar.	1990	5.2
Feb.	1990	5.3
Mar.	1989	5.0

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977 = 100)

Mar.	1990	132.8
Feb.	1990	132.1
Jan.	1990	132.1
Dec.	1989	130.5
Nov.	1989	130.2

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Feb.	1990	$11.00
Jan.	1990	$11.08
Feb.	1989	$10.73

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Feb.	1990	38.0
Jan.	1990	38.7
Feb.	1989	38.0

CONSUMER PRICE INDEX (CPI)

1982-84 = 100
ALL URBAN CONSUMERS

Portland-Vancouver

July-Dec. 1989	121.6
Yearly change	4.9%
Annual Average 1989	120.4
Yearly cange	5.0%

United States

Mar. 1990	128.7
Yearly change	5.2%
Annual Average 1989	124.0
Yearly change	4.8%

Portland Hotline 326-4132

REVISIONVILLE U.S.A. OR CAN NATIONAL REVISIONS SURVIVE IN OREGON'S CLIMATE?

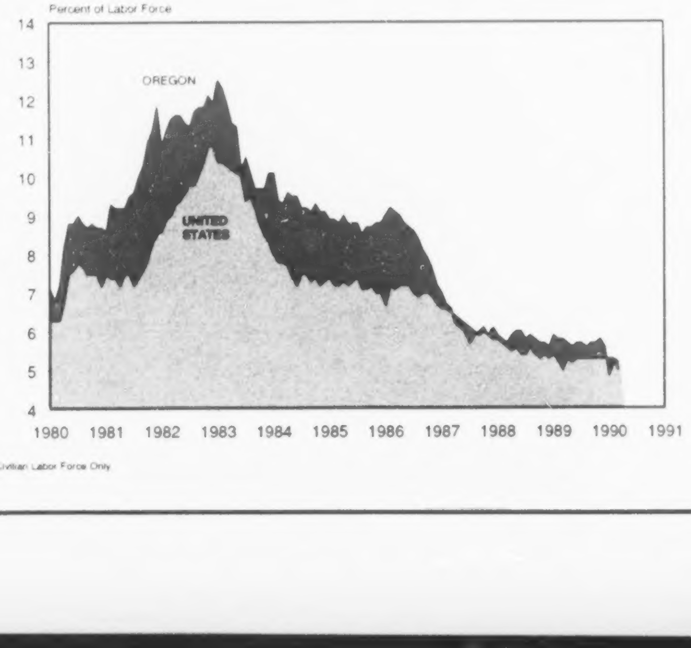
Itsvard Pendribsky (a.k.a. Fred Klatz)

Those of you who have painfully long memories may remember an article which appeared a year ago in this publication under my pen name. That article mentioned the wonders of a new methodology for computing the state's unemployment rate. (Gee, Mr. Science!) Well, the first year of the new methodology has come and gone. (And with it, some of our confidence in new-fangled contraptions.)

You know the strong, ebullient, bubbling, expanding, growing economy we merrily chattered about during 1989? Weeeellll. . .

But let me digress for a moment. In the past, large bureaucracies (read government) have been accused of intransigence, lethargy, indifference, and an unwillingness to change. That's all in the past now. This large bureaucracy (read Employment Division) is willing to change. And with change comes movement. And with movement, room to maneuver. And with room to maneuver, revisions. (Yes, it's true. Revisions are a form of government movement.) No longer are government numbers cast in cement; chiseled in stone; constructed for eternity. We've admitted our basic imperfect humanness, and when better data comes along, we use it!

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



Civilian Labor Force Only

OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	MAR.1/ 1990	FEB.2/ 1990	MAR. 1989	CHANGE FROM FEB. 1990	CHANGE FROM MAR. 1989
TOTAL 5/	1,225,000	1,210,000	1,176,400	15,000	48,600
WAGE & SALARY EMPLOYMENT INDEX 6/	132.8	132.1	127.5	XXX	XXX
GOODS PRODUCING INDUSTRIES 7/	260,900	255,200	250,500	5,700	10,400
SERVICE PRODUCING INDUSTRIES 8/	964,100	954,800	925,900	9,300	38,200
TOTAL MANUFACTURING	214,000	212,700	208,500	1,300	5,500
DURABLE GOODS	157,800	156,300	154,500	1,500	3,300
LUMBER & WOOD PRODUCTS	64,600	64,100	63,600	500	1,000
LOGGING	9,900	10,000	11,100	- 100	- 1,200
SAWMILLS	22,200	22,300	21,600	- 100	600
VENEER & PLYWOOD	15,400	14,900	14,700	500	700
MILLWORK & STRUCTURAL WOOD	10,900	10,700	10,400	200	500
MOBILE HOMES	1,900	1,900	1,800	0	100
OTHER WOOD PRODUCTS	4,300	4,300	4,000	0	300
FURNITURE AND FIXTURES	3,000	3,000	3,000	0	0
STONE, CLAY, GLASS & CONCRETE	4,200	4,000	4,000	200	200
PRIMARY METALS	11,500	11,400	10,600	100	900
BLAST FURNACES, IRON & STEEL 9/	5,900	5,800	5,500	100	400
NONFERROUS METALS 9/	5,600	5,600	5,100	0	500
FABRICATED METALS	11,600	11,700	12,700	- 100	- 1,100
FABRICATED STRUCTURAL METALS	4,900	4,900	5,700	0	- 800
OTHER FABRICATED METALS	6,700	6,800	7,000	- 100	- 300
MACHINERY	18,200	18,000	17,100	200	1,100
OFFICE & COMPUTING MACHINES	4,900	4,800	4,200	100	700
OTHER MACHINERY	13,300	13,200	12,900	100	400
ELECTRONIC & OTHER ELECTRIC EQUIPMENT 9/	16,800	16,700	15,100	100	1,700
TRANSPORTATION EQUIPMENT	12,100	11,600	11,800	500	300
INSTRUMENTS & RELATED PRODUCTS 9/	12,000	12,100	12,700	- 100	- 700
MISCELLANEOUS MANUFACTURING	3,800	3,700	3,900	100	- 100
NONDURABLE GOODS	56,200	56,400	54,000	- 200	2,200
FOOD & KINDRED PRODUCTS	21,400	21,200	19,500	200	1,900
CANNING & PRESERVING	10,600	10,500	9,400	100	1,200
OTHER FOOD PRODUCTS	10,800	10,700	10,100	100	700
TEXTILE MILL PRODUCTS	1,700	1,700	1,700	0	0
APPAREL	2,700	2,700	2,700	0	0
PAPER & ALLIED PRODUCTS	8,600	9,100	9,000	- 500	- 400
PRINTING & PUBLISHING	13,900	13,800	13,300	100	600
CHEMICALS & ALLIED PRODUCTS	2,200	2,200	2,100	0	100
PETROLEUM & ASPHALT PRODUCTS	400	400	400	0	0
RUBBER & PLASTIC PRODUCTS	4,800	4,800	4,800	0	0
LEATHER PRODUCTS	500	500	500	0	0
TOTAL NONMANUFACTURING	1,011,000	997,300	967,900	13,700	43,100
MINING & QUARRYING	1,300	1,200	1,200	100	100
CONSTRUCTION	45,600	41,300	40,800	4,300	4,800
BUILDING CONSTRUCTION	12,200	11,200	11,100	1,000	1,100
HEAVY CONSTRUCTION	4,800	4,100	5,300	700	- 500
SPECIAL TRADE CONTRACTORS	28,600	26,000	24,400	2,600	4,200
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	64,000	64,000	61,100	0	2,900
TRANSPORTATION	42,500	42,300	40,000	200	2,500
RAILROAD	3,800	3,800	3,900	0	- 100
TRUCKING & WAREHOUSING	24,500	24,200	22,800	300	1,700
OTHER TRANSPORTATION	14,200	14,300	13,300	- 100	900
COMMUNICATIONS	12,300	12,700	12,400	- 400	- 100
UTILITIES	9,200	9,000	8,700	200	500
TRADE	312,400	308,700	295,900	3,700	16,500
WHOLESALE TRADE	81,400	79,800	76,000	1,600	5,400
DURABLE GOODS	47,300	46,400	44,700	900	2,600
MACHINERY, EQUIPMENT, & SUPPLIES	11,200	11,000	10,500	200	700
OTHER DURABLE GOODS	36,100	35,400	34,200	700	1,900
NONDURABLE GOODS	34,100	33,400	31,300	700	2,800
GROCERIES & RELATED PRODUCTS	13,200	13,100	11,800	100	1,400
OTHER NONDURABLE GOODS	20,900	20,300	19,500	600	1,400
RETAIL TRADE	231,000	228,900	219,900	2,100	11,100
BUILDING MATERIALS & GARDEN SUPPLIES	8,500	8,300	7,400	200	1,100
GENERAL MERCHANDISE	29,100	29,200	27,300	- 100	1,800
FOOD STORES	40,500	40,500	37,200	0	3,300
AUTO DEALERS & SERVICE STATIONS	28,700	28,700	28,300	0	400
APPAREL & ACCESSORY STORES	9,600	9,500	8,900	100	700
FURNITURE & HOME FURNISHINGS	9,700	9,700	9,000	0	700
EATING & DRINKING PLACES	81,600	79,500	78,500	2,100	3,100
MISCELLANEOUS RETAIL	23,300	23,500	23,300	- 200	0
FINANCE, INSURANCE, & REAL ESTATE	75,500	75,300	74,300	200	1,200
FINANCE	28,000	28,100	27,800	- 100	200
INSURANCE	22,200	22,100	22,200	100	0
REAL ESTATE	25,300	25,100	24,300	200	1,000
SERVICES	288,000	284,000	275,700	4,000	12,300
HOTELS & OTHER LODGING PLACES	18,000	17,500	17,200	500	800
PERSONAL SERVICES	10,800	10,900	11,200	- 100	- 400
BUSINESS SERVICES	47,500	46,700	45,300	800	2,200
AUTOMOTIVE & MISC. REPAIR SERVICES	15,200	14,900	14,700	300	500
MOTION PICTURES & AMUSEMENTS	15,100	14,600	14,000	500	1,100
HEALTH SERVICES	85,200	84,400	80,900	800	4,300
LEGAL SERVICES	8,700	8,800	8,600	- 100	100
PRIVATE EDUCATION	15,400	15,300	15,400	100	0
SOCIAL SERVICES	25,800	25,600	23,900	200	1,900
ENGINEERING & MANAGEMENT SERVICES	19,300	19,200	19,300	100	0
OTHER SERVICES & NEC	27,000	26,100	25,200	900	1,800
GOVERNMENT	224,200	222,800	218,900	1,400	5,300
FEDERAL GOVERNMENT	31,800	31,600	30,200	200	1,600
STATE GOVERNMENT	61,100	60,700	60,700	400	400
EDUCATION	26,300	26,300	25,800	0	500
OTHER STATE	34,800	34,400	34,900	400	- 100
LOCAL GOVERNMENT	131,300	130,500	128,000	800	3,300
EDUCATION	84,400	84,000	82,700	400	1,700
OTHER LOCAL	46,900	46,500	45,300	400	1,600
LABOR-MANAGEMENT DISPUTES 10/	900	600	3,800	300	- 2,900

OREGON RESIDENT LABOR FORCE
(BY PLACE OF RESIDENCE)

	MAR.1/ 1990	FEB.2/ 1990	MAR. 1989	CHANGE FROM FEB. 1990	CHANGE FROM MAR. 1989
CIVILIAN LABOR FORCE 3/	1,425,800	1,446,100	1,463,500	- 20,300	- 37,700
UNEMPLOYMENT	80,800	87,600	93,800	- 6,800	- 13,000
PERCENT OF LABOR FORCE	5.7	6.1	6.4	XXX	XXX
SEASONALLY ADJUSTED PERCENT	5.0	5.2	5.8	XXX	XXX
TOTAL EMPLOYMENT 4/	1,345,000	1,358,500	1,369,700	- 13,500	- 24,700

1/ Preliminary
2/ Revised
3/ Includes employed and unemployed individuals 16 years and older, adjusted for multiple job-holding and commuting.
4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.
5/ Includes full- and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: These data are estimated in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration. All data are based on the 1987 Standard Industrial Classification (SIC) codes.
6/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of 0.8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).
7/ Goods producing industries include manufacturing, mining, and construction.
8/ Service producing industries include transportation, communications, and utilities; trade; finance, insurance, and real estate; services; and government.
9/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.
10/ Employees involved in labor disputes are not included in wage and salary employment counts.

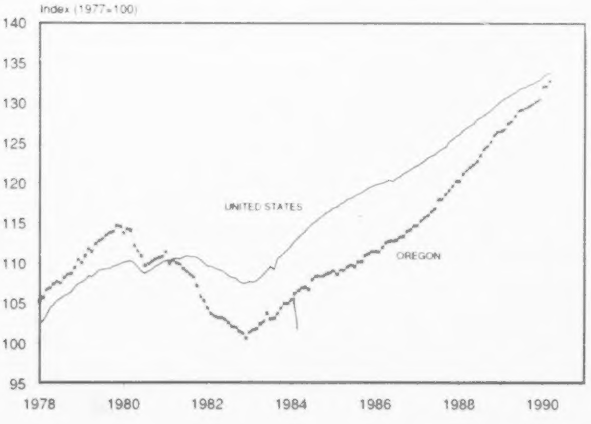
Now back to my story. Once upon a time, there were these estimates. They were made in the Land of LAUS*. The Land of LAUS was a dreamy sort of place, inhabited by a good-hearted ogre named Fred. Fred was also known as the sorcerer of the MACRO; a great and powerful talisman that gave magical prognostications about the state of the kingdom's economy. (This is a government issue talisman, so its insights are subject to revision.) Now, this great talisman was a gift. A gift from the wonder workers of the East. (No relation to the wicked witch of the same neighborhood.) These were demigods, wondrous creatures, almost mythical beings who lived in the clouds beyond the Potomac. These fabulous personae were rarely seen in the Land of LAUS, but their whisperings over a long distance line could move mountains, shape continents, change the course of mighty rivers, and yes...revise numbers. Through their control of the great talisman, they greatly changed all that had gone before. (No, this isn't an Orwellian fairy tale. This part just seems that way.)

After much cloud gazing, the wonder workers decided that the past was not accurate. It had been too kind; the spring too soon, the summer too perfect, the autumn too brief, the winter too mild, and the unemployment rate too low. So, they moved the annual average unemployment rate up three-tenths of a percentage point and the average annual unemployment level up almost 6,800 to reflect the new, harsher reality. Of course, the wonder workers were not entirely merciless; they also moved annual average employment up almost 26,900.

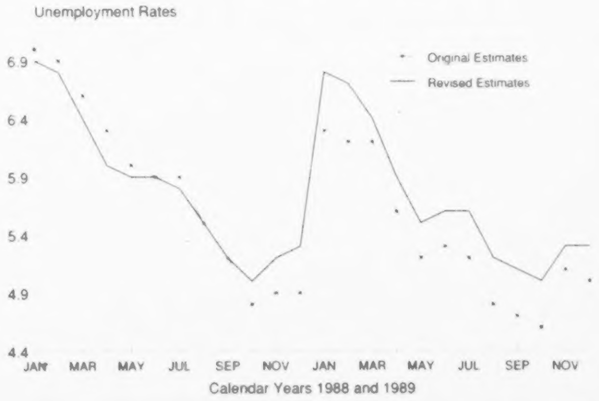
The combination of these moves meant that the labor force had to rise by 33,700 over the original estimates. Well, that wasn't too bad, rationalized Fred. "I only missed the labor force and employment by a couple of percent. Bit far out on the unemployment; about eight percent off there. Well, I guess it's not too bad for a new system." Then, as he cast his eyes lovingly over the graph of his last year's unemployment rates and noted how far below the revised rates they were, his hair stood on end. He almost choked. They had revised his January rate up from 6.3% to 6.8%.

* LAUS = Local Area Unemployment Statistics program.

NONFARM WAGE & SALARY EMPLOYMENT INDEXES
(SEASONALLY ADJUSTED)



UNEMPLOYMENT RATES
Oregon Rates-Original vs. Revised



February was just as bad: 6.3% up to 6.7%. And they had moved July through October up by four-tenths of one percentage point for each month. He was shattered, cast into the depths of despair. How would the people of the kingdom take these revisions? They had so enjoyed the past year. The skies had been clear, the harvest bountiful, the citizens happy at their work. And now? All gone. All changed. Many of those hardworking citizens had really been unemployed, and wouldn't know it until he told them. It made him shudder. He pulled himself together, dolefully packed his revised estimates in a bag, shouldered his heavy burden, and trudged across the bridge from the Land of LAUS out into the real world.

To the first citizen Fred encountered, he gave the bad news: "The past has been changed. The annual rate is revised upward. So is unemployment. Luckily, the traditional seasonal pattern has been retained."

The happy citizen stopped his cheerful whistling, frozen almost in midstride. His eyes opened wide and he stared unbelieving at the ogre who stood before him. A long, thunderous silence followed. Fred began to get nervous. He was afraid that all the bad news had given the good citizen a heart attack. Relief flooded over him when the fellow finally began to speak.

"Huh? What did you say? I didn't understand a word of what you said! Heeey! Are you Alan Greenspan? No, couldn't be. No glasses. Hey, are you Alan Greenspan in contacts? Well, whoever you are, I don't understand any of that stuff and could care less. So, if you'll excuse ..."

Fred took the good citizen firmly by the arm, propelled him toward the nearest comfortable rock, and sat him down. While pulling his paraphernalia out of his bag, he began his story.

Each year the estimates of total employment and unemployment are revised for the two previous years: i.e., 1988 and 1989. This has been going on for what seems like eternity. However, last year a new methodology, based on regression equations, was introduced for 39 states and the District of Columbia. The new procedure replaced a "building-block" procedure that had been in use for twenty or thirty years, but was considered inaccurate and obsolete. Nineteen eighty-nine was the first year the new methodology had been in actual use, and this year's revisions were considered important since they could give some idea as to the accuracy of the new system. That's why the substantial revisions recorded for 1989 came as somewhat of a shock.

The annual revision for 1989 raised the average unemployment rate from an original estimate of 5.4% to 5.7%. This is a fairly substantial upward revision, and after discussing it with a technician within the Bureau of Labor Statistics which produced the revisions, it was determined that this revision was somewhat unusual; it encompassed a correction to an error made in the population estimates provided by the Bureau of the Census. The population estimates are important since they control all of the survey data which goes into many of the estimates. So, any change in the population controls will have far-reaching effects on many of the estimates used as inputs to the new system. This explains the overall change in the unemployment rate, but there were significant changes within the year too.

The significant monthly revisions actually began in late 1988. The annual average rate was not changed, but the November rate was moved up three-tenths of a point to 5.2% and the December rate went from 4.9% unrevised to 5.3% revised. This pattern was carried into 1989, with January going up to 6.8% from an original estimate of 6.3%, and February also rising by one-half percentage point to 6.7% under the revision. These changes are fairly significant, and at this point at least, I do not have a good explanation as to why they occurred. The raw data that went into the estimates at the state level (specifically, unemployment insurance claims data and nonfarm wage and salary payroll jobs) were not significantly changed between the original and revised estimates.

It seems likely, however, that the revisions to the census population controls affected some of the internal factors within the equations differently from one month to the next. A revision such as this to census estimates is very rare, and is not expected to happen again.

"This is an area which we are going to look into more closely," said Fred, turning to his audience and half expecting his good citizen to be nodding off. Instead, his citizen was wide awake, and his audience had grown considerably. Heartened by this show of interest, Fred flexed his chrome-plated, telescoping, pocket-portable pointer with the skill of a fencing master and again entered the fray. "There is an anomaly which has come to our attention, one which we don't understand." He continued with his story.

For the last several years the labor force has been growing from year to year as is expected in an expanding economy. This expected growth is corroborated by the year-to-year growth shown by the survey of employers that counts the number of nonagricultural payroll jobs of firms in the state. In the first quarter of 1990, however, the estimated total labor force and total employment has dropped below the level of the prior year for the same time period. The average monthly total employment for the first quarter of 1989 was 1,367,300, and for the first quarter of 1990 it was 1,359,700. This decline is occurring in spite of the fact that the

OREGON NONAGRICULTURAL PAYROLL JOB COUNT

(not seasonally adjusted)

	1989	1990
JAN.	1,159,500	1,208,000
FEB.	1,162,000	1,210,000
MAR.	1,176,400	1,225,400
AVG.	1,166,000	1,214,500

OREGON DATA

(not seasonally adjusted)

	1989				1990			
	Civilian Labor Force	Employment	Unemployment	Rate	Civilian Labor Force	Employment	Unemployment	Rate
JAN.	1,461,100	1,361,900	99,200	6.8	1,460,800	1,375,600	85,200	5.8
FEB.	1,468,500	1,370,300	98,200	6.7	1,446,100	1,358,500	87,600	6.1
MAR.	1,463,500	1,369,700	93,800	6.4	1,425,800	1,345,000	80,800	5.7
AVG.	1,464,400	1,367,300			1,444,200	1,359,700		

number of nonagricultural payroll jobs has steadily risen in the same interval. In the first quarter of 1989, the monthly average of payroll jobs was 1,166,000; in the first quarter of 1990, this count had risen to 1,214,500.

This pattern follows a similar occurrence at the national level. The monthly average of nonagricultural jobs counted on payrolls for the first quarter of 1990 was 2,485,000 higher than in the same quarter of 1989. Within the same time frame, the monthly average of total employment increased by 1,261,000. This means that the number of employed people counted in households has only increased by about one-half the number of jobs counted on employer payrolls.

It needs to be borne in mind that the estimate of total employment and the estimate of payroll jobs are not the same. One counts the total number of people employed by household and the other the number of nonagricultural payroll jobs of firms within the state; so, the two numbers are not equal, nor are they meant to be. One incongruity between the two methods of looking at employment is multiple job holders. The total employment estimate counts a person as being employed only once. The payroll survey counts jobs, not people. In the payroll survey one worker can be counted more than once if she or he has more than one job. As multiple job holding becomes more important, the dissimilarity between the two estimates will become more important. But, at this point, we're not sure that multiple job holding accounts for the descrepancy we're seeing in the short-term trends between the two systems.

U.S. NONAGRICULTURAL PAYROLL JOB COUNT

(not seasonally adjusted)

	1989	1990
JAN.	105,915,000	108,372,000
FEB.	106,342,000	108,878,000
MAR.	107,017,000	109,479,000
AVG.	106,425,000	108,910,000

And with that, Fred turned to his audience and said: "Right now, we're not sure why we're seeing this discrepancy. The best we can do is try to find alternate data sources which might shed some light on this phenomenon."

"Are there any questions?", Fred asked brightly. Heavy silence. "Pretty dull, huh?" Nod of general agreement.

"Well, this certainly won't affect the rising and setting of the sun (sigh of relief), but I thought you should know what we're doing and what happened to the numbers."

With that, the good citizens drifted away to their various tasks, and Fred set about re-packing his bag.

THE END

. . .and now for something completely different: OREGON'S JOB PICTURE.

While Fred was running around in circles and tearing his hair out, Oregon's economy continued to perform quite well. The seasonally adjusted unemployment rate in March was 5.0%, which was a two-tenths percentage point drop from February. This follows the national trend, but a little more steeply. The national rate fell one-tenth point, coming down to 5.2% on a seasonally adjusted basis.

It was in the nonagricultural wage and salary job count that Oregon's economy continued to show strength. Between February and March the total number of jobs rose by 1.2%, but it was the 4.1% increase over last year that displayed the economy's continued health.

Total manufacturing, while showing both monthly and annual growth, wasn't the strongest sector of the economy. Logging showed a slight decline in jobs between February and March; 10,000 down to 9,900. This is a miniscule loss when the total number of jobs in the industry is considered, but March of this year was 1,200 lower than last March. Now this is a substantial drop, but it was probably related to the unusually warm weather which caused the earlier than usual onset of the spring break-up, rather than any fundamental weakness in the industry. Sawmills, a closely related industry, had an identical month-to-month fall, but a 600 job increase over last year's strike-impacted level.

A strong performance in the nondurables manufacturing sector was shown by food and kindred products. Although this is only a 200 month-to-month increase, a decrease is more normal for this time of year. Also, a 1,900 increase was shown over last year. Canning and preserving was the dominant performer in this sector, showing a 12.8% gain in jobs over last year.

It was nonmanufacturing which was the leader in the state's labor market with a 13,700 (1.4%) increase month-to-month and a 43,100 or 4.5% year-to-year increase. With the nice weather in March, construction got an early start and increased jobs by 4,300; going from 41,300 in February to 45,600 in March. The month-to-month increase is very close to the 4,800 rise over last year's March job level. The general building construction subsector moved up sharply between February and March, almost 9%, and special trades contractors increased employment 10% for the same period.

In the trade sector, wholesale trade showed especially strong year-to-year growth in jobs. The 7.1% increase in jobs for this industry is related to the strong showing by construction, with wholesale trade showing a spurt in sales of building materials and equipment. In retail trade, eating and drinking places produced an exceptional monthly growth, going from 79,500 to 81,600; an increase of 2.6%. This is twice the overall monthly growth rate.

The service industry moved generally in sync with the overall increase; 1.4% month-to-month and 4.5% year-to-year. ☐

UNITED STATES DATA

(not seasonally adjusted)

	1989				1990			
	Civilian Labor Force	Employment	Unemployment	Rate	Civilian Labor Force	Employment	Unemployment	Rate
JAN.	122,095,000	114,786,000	7,309,000	6.0	123,293,000	116,037,000	7,256,000	5.9
FEB.	121,906,000	115,023,000	6,883,000	5.6	123,442,000	116,308,000	7,134,000	5.8
MAR.	122,223,000	115,844,000	6,378,000	5.2	123,789,000	117,093,000	6,697,000	5.9
AVG.		115,218,000				116,479,000		

DOWN ON THE FARM

Tom Lancefield

Oregonians may understandably be confused about the farm labor situation: a couple of Junes ago, television cameras showed the Governor picking strawberries to dramatize the need for more workers. The following winter, thousands of stranded migrant farmworkers taxed Willamette Valley shelters and relief agencies. We hear little about farm labor now, but serious problems remain, especially for farmers of labor-intensive crops. This article will review the situation and describe some efforts by Oregon's state government to remedy problems which are at once local, regional, and national in scope.

We hear little about farm labor now, but serious problems remain, especially for farmers of labor-intensive crops.

The Immigration Reform and Control Act of 1986 (IRCA) was a watershed event in national policy. It requires all employers to verify the legal status of prospective employees by filling out an "I-9" form, and it provides hefty civil penalties for willful violation of the act. The intent was to dry up the demand for illegal labor, in contrast to relatively ineffective surveillance of national borders and occasional raids on businesses suspected of employing illegal aliens. In recognition of agriculture's reliance in recent decades on aliens, legal and illegal, to perform many seasonal tasks, IRCA also provided a special amnesty program for illegal farmworkers. The amnesty program ended in 1988. The act allows other aliens to legally replace workers who leave agriculture during the next four years, under certain conditions.

IRCA seems to have reduced the influx of undocumented workers, but at a cost of increased paperwork by employers and greater difficulty in securing adequate labor, especially seasonal labor for perishable crops like strawberries. There is a real question whether the IRCA provisions are flexible enough to provide seasonal farm labor in adequate numbers in 1990-93, much less in the years after when no replacement workers are currently authorized.

This year, for example, there will be no authorized replacement of seasonal farmworkers who left agriculture for other employment because, in the national labor market as a whole, there was no certifiable labor shortage last year. Even as farmers in Oregon plowed under cucumber fields for lack of pickers in the summer of 1989, workers elsewhere in the U.S. were unemployed and, at least in theory, available to do farm work in Oregon. Oregon strawberry growers, who require perhaps 50,000 pickers for several weeks in June, were "spared" a labor supply disaster only by a severe frost in February 1989 which killed much of the crop.

Housing for farmworkers is a major bottleneck in many rural communities. Agricultural or food processing employers may apply to the Employment Division to bring in workers from other states (an interstate clearance order), or from other countries (an H-2A order) if local workers are too few. Federal regulations require, however, that such workers be provided decent housing -- and for clearance workers, it cannot be rented housing, such as a motel, but must be leased or owned by the grower. The existing stock of farmworker housing is inadequate in some regions of Oregon, yet employers seeking to build on-farm housing frequently meet stiff opposition from local residents. Marion County recently authorized farmers to set up temporary housing on their own land for up to sixty workers without having to notify neighbors or hold public hearings. Private labor contractors, who in some cases are also growers, continue to play a major role in some areas by providing housing and arranging transportation to dispersed farms.

Oregon has joined with Washington, Idaho, and Texas in a "Bi-regional Project" to facilitate the matching of available workers. . .with job openings.

The wage picture is also complex. Employers' profit margins may not allow them to increase wages enough to make seasonal farm work attractive to many local workers. Most harvest work is compensated on a piece-rate basis, but harvest workers are generally covered by Oregon's minimum wage law, presently $4.25 per hour, which will rise to $4.75 per hour in 1991. (Local workers who were employed less than 13 weeks in agricultural labor in the preceding calendar year are not covered. Neither are workers under the age of 16 or employers who use 500 or fewer piece-rate work days each year.)

Oregon has joined with Washington, Idaho, and Texas in a "Bi-regional Project" to facilitate the matching of available workers -- from Texas, in this case -- with job openings. While farmers could obtain a labor contractor's license and do their own recruiting in Texas, the expectation is that state employment agencies would be involved through interstate clearance orders. Staff from Oregon and Texas' state employment agencies have visited each other's states several times this winter to promote the interstate clearance option and to facilitate efficient processing of clearance orders later this season, if shortages of workers appear likely.

Federal clearance order regulations require that workers be guaranteed the highest of either federal or state minimum wage or of the "prevailing wage" for workers engaged in that activity in that area. Clearance order workers are also guaranteed free housing and employment for the period specified in the job order, but they are not legally required to work for the employer who requested them; thorough screening, obviously, is recommended (some growers pay bonuses to workers who work through the season, as an incentive to stay). State minimum wage will set an effective floor for piece-rate workers brought in under a clearance order, but employers may discharge workers who don't produce enough to make minimum wage.

Foreign workers brought in under an H-2A order must be guaranteed at least an "adverse effect wage rate" (AEWR) so their employment does not depress the wages of American or other legally authorized workers. For 1990, the AEWR rate is $5.42 per hour. Oregon employers have shown little interest thus far in the H-2A program except for sheepherding, for which adequate numbers of qualified American workers do not exist.

Bureaucratic lead-times of at least 30 days for both interstate and H-2A orders mean that employers must plan ahead if they are contemplating those options. The interstate clearance order system was used successfully several times last year, to the benefit of both workers and employers.

Oregon established an Agricultural Labor Commission in 1988 to identify and address worker availability, housing, and other issues. Planning is made more difficult by sparse data on the number of farmworkers in Oregon and by the high turnover and job-hopping common in some harvest work. An Oregon State University study of six major crops by Dr. Robert Mason (Special Report 850, 1989) estimated that a total of nearly 100,000 workers might well be needed to harvest only those six crops in Oregon. Some of those 100,000 workers -- Dr. Mason estimated perhaps 8,000 -- were "double counted" as they switched from one employer or one crop to another. Half of the workers in Dr. Mason's study (during the 1988 season) were reported by employers to be illegal; no comparable data are available since employer sanctions took effect in 1989. The Employment Division gathers agricultural work force data on twice-monthly reports from local offices, but those figures are often "best quess" estimates from a sample of growers. Efforts are underway to establish and maintain a current list of agricultural employers in Oregon, which may yield more accurate data.

Because of this growing concern that traditional sources of farmworkers were not going to be adequate to meet the future needs of agricultural employers in the western states, the Department of Labor, Employment Security Agencies, and the Human Development Corporations of California, Idaho, Oregon, and Washington recently hosted an agricultural forum, "Agricultural Workforce 2000: Ensuring a Strong Economy." This conference was held to bring together agricultural employers and their associations with public agencies and organizations to discuss various ways in which these groups could work together to stabilize the agricultural workforce in the western states. This first-time conference marked the beginning of a new era of working together to resolve common concerns and to share solutions. □

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Feb.[2] 1990	Jan.[3] 1990	Feb. 1989	Feb.[2] 1990	Jan.[3] 1990	Feb. 1989	Feb.[2] 1990	Jan.[3] 1990	Feb. 1989
TOTAL MANUFACTURING[4]	$418.00	$428.80	$407.74	38.0	38.7	38.0	$11.00	$11.08	$10.73
Durable Goods	423.22	432.62	408.18	38.3	38.8	37.9	11.05	11.15	10.77
Lumber & Wood Products	414.67	432.57	393.49	37.8	38.9	36.2	10.97	11.12	10.87
Logging & Sawmills	425.44	453.43	405.77	36.3	38.2	34.3	11.72	11.87	11.83
Veneer & Plywood	431.34	424.54	401.83	39.5	39.2	38.6	10.92	10.83	10.41
Millwork & Structural	375.06	393.31	353.96	39.9	40.8	38.6	9.40	9.64	9.17
Mobile Homes	304.31	350.97	306.57	33.7	37.1	33.0	9.03	9.46	9.29
Other Wood Products	424.12	428.29	401.05	39.6	38.9	38.6	10.71	11.01	10.39
Furniture & Fixtures	351.54	326.16	310.23	37.8	36.0	36.2	9.30	9.06	8.57
Primary Metals	512.52	469.48	503.88	41.1	37.8	41.2	12.47	12.42	12.23
Fabricated Metals	383.24	392.09	377.03	37.1	37.2	38.2	10.33	10.54	9.87
Machinery (Ex Electrical)	445.10	436.69	452.64	39.6	39.2	41.0	11.24	11.14	11.04
Nondurable Goods	402.50	414.91	404.62	37.2	38.1	38.1	10.82	10.89	10.62
Food & Kindred Products	330.53	347.39	325.44	35.2	36.8	36.2	9.39	9.44	8.99
Canning & Preserving	273.55	298.84	280.53	33.4	36.4	35.6	8.19	8.21	7.88
Other Food Products	408.34	405.04	386.21	37.6	37.4	37.1	10.86	10.83	10.41
Textile Mill Products	229.50	246.20	230.58	30.0	34.1	32.8	7.65	7.22	7.03
Apparel	253.95	261.02	248.34	37.4	38.9	37.4	6.79	6.71	6.64
Paper & Allied Products	618.41	644.28	668.49	41.2	42.0	44.3	15.01	15.34	15.09
Printing & Publishing	443.80	429.01	413.82	37.2	35.9	36.3	11.93	11.95	11.40
Construction[4]	497.49	548.48	529.06	32.2	35.5	35.2	15.45	15.45	15.03
Communications & Utilities[5]	542.82	594.05	561.91	40.6	41.6	41.5	13.37	14.28	13.54
Trade[5]	314.57	314.83	306.10	33.5	33.6	33.6	9.39	9.37	9.11
Wholesale Trade	415.89	415.15	410.65	37.1	37.1	37.4	11.21	11.19	10.98
Retail Trade	263.11	263.94	252.33	31.7	31.8	31.7	8.30	8.30	7.96
Banking & Insurance[5]	373.03	337.98	335.63	36.5	34.7	37.5	10.22	9.74	8.95
State & Local Government	403.89	404.99	383.59						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

ECONOMIC INDICATORS OF INDUSTRIAL HEALTH

Dwayne Stevenson

New Computer Firm Opens, Electronics Industry to Face More Layoffs, Tourism Counts Up, Lumber Mill Closes, Lumber Mill Reopens, Productivity Increases in Manufacturing, Raw Material Prices Up Sharply, Export Volume at Record High, Export Values Drop. Sometimes headlines give the reader much information without any increase in knowledge or understanding. It's like a doctor receiving data on isolated symptoms without a framework for diagnosis, much less prognosis. What we need is a way to evaluate the long-term viability or health of an industry and not react impulsively to temporary vagaries. To understand an industry's current situation it is important to know where it has been, what it has encountered, and how it has reacted - a medical history, so to speak. This article will look at some of the trends in one of Oregon's key industries (e.g., Lumber and Wood Products) to see what they might indicate about its future. It will be an experimental look at diagnostic indicators rather than a conclusive, definitive statement of the industry's condition and future.

First, we will look at production levels and market shares. Over the last four decades, lumber production levels in Oregon (see Graph #1) have declined slowly, though with increasing volatility. Several factors may influence both of these trends. One might be that lumber production is becoming less of a preferred use of timber than are other products, i.e., panel production or wood chips. More probably, the decline results from long-term regional demand/supply shifts. Political and monetary/fiscal policy changes by the federal government have certainly contributed to the volatility, as has the industry's inability at times to correctly anticipate these shifts. Overall, the greatly increased volatility in the state's lumber production make short-term direction in production levels of little help in determining long-term trends. However, employment and profit levels will be highly unstable so long as this volatility continues. Such increasing volatility may result in closure of some production capacity and may be a consequence of our being a relatively high cost producing region.

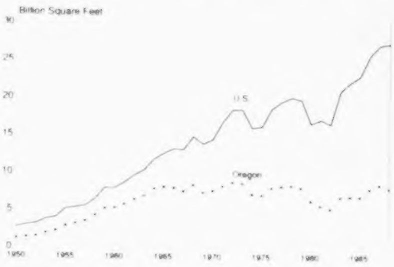
The gradual long-term decline of lumber is more noticeable in Oregon's share of U.S. lumber production (Graph #2). Since 1973, the trend has been steadily downward, except for the trough and recovery of the early 1980s. The recent stabilization of market share during a period of record production levels is undoubtedly not sustainable given Oregon's reduced timber supply outlook. Also note that much of the volatility seen in production levels disappears in the view of market share.

Panel production (Graph #3) also shows increasing volatility, similar to lumber production. Although Oregon's volatility seems less pronounced than the nation's, U.S. production of panels has shown recent dramatic increases. Oregon's market share trend in panel production (Graph #4) shows the growing divergence more markedly. From the mid-1960s to the early 1970s, other regional capacity (southern pine plywood) came on line. More recently, less expensive substitute panel products (i.e., oriented-strand board and waferboard, neither of which is produced in Oregon) have taken a growing share of the market. Though Oregon's panel industry has been losing market share, it has maintained production levels. This would indicate either a high quality product or an ability to find new markets to replace those that have been lost, or some combination of the two. Aggressive marketing and high quality

Graph 3

Panel Production, Oregon & U.S.

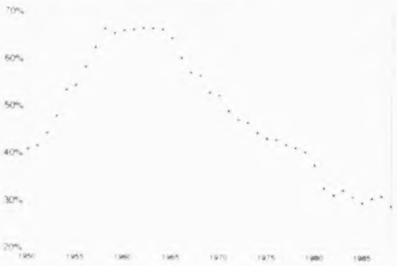
1950-1988



Graph 4

Oregon Share of U.S. Panel Production

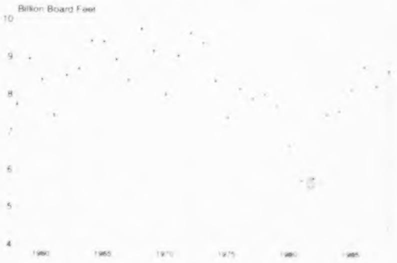
1950-1988



Graph 5

Oregon Log Harvest

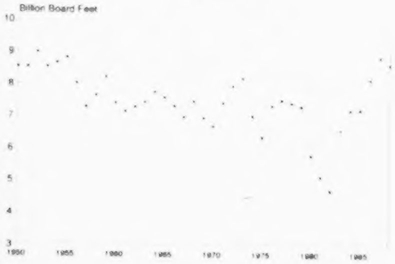
1958-1988



Graph 1

Oregon Lumber Production

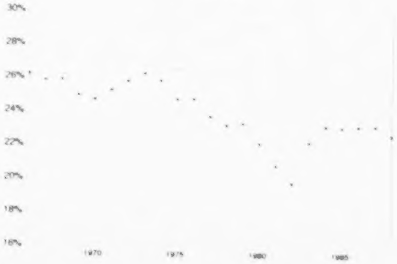
1950-1988



Graph 2

Oregon Share of U.S. Lumber Production

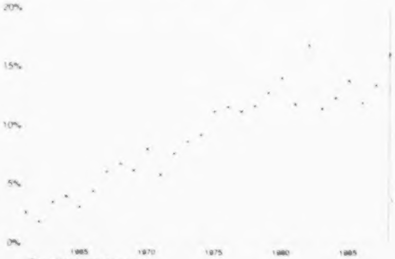
1966-1988



Graph 6

Log Exports* as a Share of Harvest**

Oregon, 1961-1988



* Exports from Oregon Customs Dist.
includes parts of Washington
** Harvest from Oregon land only

have both helped to offset, at least partially, industrial decline caused by competition from other regions and substitute products.

The final look at production levels is in the logging industry. Log harvest levels (Graph #5) have definitely not been stable. Over the past 30 years, the erratic movement appears to be most related to short-term swings in the business cycle. THe underlying long-term trend, however, shows a steep decline in the 1970s and early 1980s followed by an extended upturn since 1982. Timber harvest levels will begin to drop sharply again in the 1990s, however, due to the adoption of new National Forest Management plans and spotted owl conservation measures coupled with reduced harvests on private forest industry lands. Annual harvests of 9+ billion board feet (bbf) are not likely to recur in Oregon for many years.

Available timber for mills is likely to decline sharply barring a major shift in federal government policy. Log exports (Graph #6) have continued to take an increasing share of logs harvested in Oregon. This, coupled with recent (and projected) lower volumes of federal timber sales, has driven bid prices and competition for timber sky-high. Although selling logs in the export market may generate the most profit, this allocation of our declining timber resources does not produce the highest value added or employment.

Logs are not the only increasing component of lumber and wood products exports (Graph #7). The value of lumber exported has also recently increased, though not quite so dramatically as the value of log exports. Total lumber and wood exports from the Columbia-Snake Customs District (includes all Oregon ports plus Longview and Vancouver, Washington) is now over $1 billion annually, with logs representing about 60 percent and lumber about 30 percent. The remainder is taken up by plywood, veneer, and wood chips. Nearly half (46%) of Oregon's lumber and wood products exports went to Japan. Canada (11%), People's Republic of China (10%), Australia (7.7%), and Italy (7.6%) rounded out the top five destinations in 1988. The heavy reliance on one country (Japan) and one product (logs) indicates a potential weak point in the current strength of exports.

About 6% of all lumber and wood products jobs in Oregon were directly related to exports in 1986, according to the U.S. Census Bureau. Including the indirect jobs raises the figure to 10%. Some speculate that even more jobs could be included if more value (further processing) were added to the raw material. Whether or not those value-added products would find buyers in the export market is uncertain.

Labor productivity. . .in lumber and wood products has increased to record levels during the 1980s.

What is certain is that it would take fewer workers today to produce them than ten years ago. Labor productivity (Graph #8) in lumber and wood products has increased to record levels during the 1980s. Both lumber and veneer and plywood have soared dramatically.

Employers are reluctant to hire/layoff workers until product demand levels require it. Workers kept on at the start of business downturns reduce productivity, while experienced workers still employed at the start of the upswing work longer hours before new workers are hired increasing productivity. Production pay incentives and work rule changes have contributed largely to the increases of the 1980s, though capital investment in improved and automated production technology has certainly made an impact too.

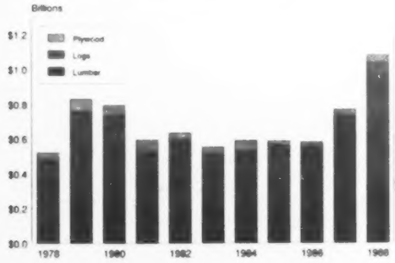
This marked ability to increase productivity will continue, however, to decrease industry employment. Especially since Oregon's production levels are not likely to increase very much, if at all, due to the rising cost and declining volume of available timber supplies.

Total employment in lumber and wood products (Graph #9) has a long-term downtrend with volatile swings in the 1970s and early 1980s. Current employment levels are relatively high in light of increasing labor productivity and present elevated levels of production. When timber harvests fall, wood products production declines to mid-cycle levels, and productivity increases further, total employment will likely drop to 60,000 and hit the mid-50 thousands in recessions during the 1990s.

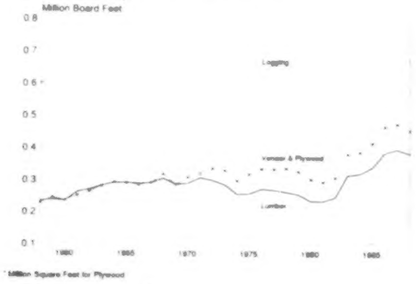
At the same time employment is declining, inflation-adjusted wages (Graph #10) may also continue to fall with a two step forward, four back cadence. This combination puts a double whammy on the desirability of placing too strong a reliance on lumber and wood as a means of economic growth, though a shift to higher value secondary wood processing is desirable. However, an industry losing employment and real payroll may still provide a sure base from which further economic diversification or expansion may take place. Pay levels, however, may not be so much of a concern as cost of materials. With the aforementioned competition for available sawtimber, prices of logs appear to have reached levels which current wood products prices will not cover.

If break-even operations become difficult to achieve and profitable ones out of the question, a substantial restructuring of production methods and/or raw material (log) pricing methods is sure to result. In the early 1980s, special federal legislation was used to provide relief from the cost-price squeeze. This time,

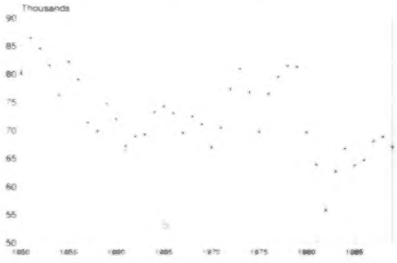
Graph 7
Export Value of Lumber & Wood Products
Select Components, 1978-1988



Graph 8
Productivity in Lumber & Wood Products
Oregon, 1958-1988



Graph 9
Employment in Lumber & Wood Products
Oregon, 1950-1989



with the federal government concerned with its own fiscal problems, the ground rules are likely to be rewritten.

One concept that has already gone by the wayside is that workers' compensation levels should be tied to their contribution to the value of the product (value added). In the last two decades value added per worker, while more volatile, has been increasing more rapidly than average pay per worker (Graph #11). One might argue that new capital investment is taking an increased role. However, data show little gain in capital investment levels over this period.

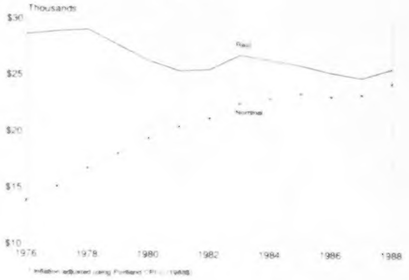
Another aspect of new capital investment is its interrelationship with productivity levels. The relatively low levels of capital investment per worker, with dramatically increasing productivity, indicate a marked increase in the effectiveness of capital investment and/or a marked increase in the productive work of each employee. If only the former, further gains in productivity are certain. If only the latter, gains due to investment have yet to occur. Either way, productivity is expected to increase with a further loss of jobs.

The various indicators of past health and vitality and their meaning for the future have shown us pros and cons as to the industry's continued health. Many of the indicators can be placed on either side, depending on one's perspective. Government agencies may be more directly concerned with the sustained stability of employment and logging rather than profit levels or exports. The workers will more likely view pay levels and job security as important signs of a healthy industry. Others have different concerns reflecting their role in respect to the industry. Whatever the point of view, the primary issue is not whether the industry gets sick, but whether it can get well; not whether it remains dominant or weak, but whether it can adapt to the changing economic environment. In any event, it is certain that the lumber and wood products industry will be a significant part of Oregon's economy for years to come, even though it will change. ☐

Graph 10

Annual Wages in Lumber & Wood Products

Oregon, 1976-1988

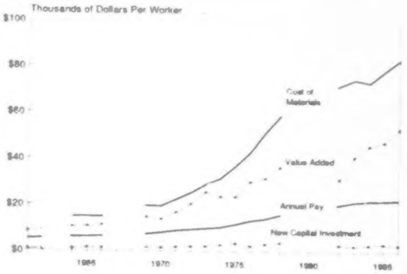


¹ Inflation adjusted using Portland CPI (1988)

Graph 11

Oregon Economic Parameters, 1961-1986

Lumber & Wood Products Industry



TECHNICAL LABOR SHORTAGE EVIDENT IN ALIEN WAGE DETERMINATION

Pete Dissmore

"TOUGHEST JOBS TO FILL? Whether it is Seattle, Portland or Boise the answer is the same: those requiring specific technical skills. Demand is especially strong for engineers of all stripes, manufacturing managers, software developers, technical sales people and experienced programmer-analysts. The market for this kind of talent has become a national one. . ."

The above comments in the *Marples Business Newsletter* of December 6, 1989 are very definitely corroborated in the Oregon labor market by the trends in the number and type of alien nonagricultural labor certification applications processed by the Employment Division. The only correction to Marples' statement would be that the market for specific technical skills has become an INTERNATIONAL one. The Employment Division is the agent for the U.S. Immigration and Naturalization Service for alien labor certifications in Oregon. The total number of wage determinations in 1989 (175) for nonagricultural alien certifications in Oregon increased nearly 25% in 1989 over 1988.

Openings for software engineers were the number one specific occupation for which applications were received from Oregon employers during 1989. Other frequent occupational categories were electrical engineers and programmer-analysts. Others for which applications have been received in recent years with relatively high pay scales are cardiac surgeons and other types of physicians; manufacturing plant managers and CEOs; public and private university professors, assistant professors and research associates; and many types of engineers in addition to the electrical engineers mentioned above.

> ***. . .over 58% of the advanced degree candidates in the OSU engineering school are not U.S. citizens.***

A significant fact concerning the software and electrical or electronic engineers is that most of the employer applications for software engineer and half of the applications for electrical engineer specify an educational requirement of a master's degree or higher. John Owen, Dean of Engineering at Oregon State University, advises that over 58% of the advanced degree candidates in the OSU engineering school are not U.S. citizens. Of the alien population, over 44% are from Asian countries. It is interesting to note that over 50% of the graduate students in computer science are also from Asian countries. This is significant because the software engineer applications which indicate an educational requirement of a master's degree often specify it must be in electrical engineering or computer science. Apparently, it is normal for U.S. citizen students in that school to accept relatively high paying jobs upon completion of their undergraduate studies instead of continuing on to seek advanced degrees.

Dean Owen cited data from the *Engineering and Technology Degrees - 1989* publication by the Engineering Manpower Commission of the American Association of Engineering Societies that reveals some interesting trends. For example, the number of engineering bachelor's degrees granted in 1980 in the U.S. was 58,742; this number peaked in 1986 at 78,178 and then declined to only 68,824 in 1989. Dean Owen expects that the number will bottom out at approximately 50,000 and is very concerned that the number of graduates will not meet the demand. The publication also shows that the number of masters and Professional Engineer Degrees increased from 17,243 in 1980 to 26,412 in 1989. Foreign nationals made up over 25% of the total in 1980 and over 28% in 1989. A total of 2,751 doctoral degrees in engineering were awarded in 1980 and 5,017 in 1989. Foreign nationals constituted over 35% of the total in 1980 and over 45% in 1989. The majority of foreign nationals are in the U.S. to obtain advanced degrees and intend to return to their homeland to pursue teaching and research careers.

Some other interesting jobs for which alien certification applications have been received include Thai chefs and cook instructors and sheep shearing instructors from New Zealand. Such instructors are usually hired on a temporary basis. Additional types included a propogation supervisor, acupuncture and Oriental medicine instructor, jewelry sponsor, french pastry chef, hotel management consultant, firearms engraver, and a paper conservator. Some rare occupations over the years have included a professional wrestler, jade carver, and organ pipe voicer.

The Employment Division's involvement in the alien certification process is limited to determining the prevailing wage for the position offered by the employer to the alien and listing the job opening to determine if there are qualified U.S. workers for the position. The employer, also, is required to advertise the job opening in the appropriate journals at a wage that is at least as high as the prevailing wage for the position. If no qualified U.S. workers are available and the prevailing wage criterion is met, the Employment Division will assist the employer in preparing a request for alien labor certification. The Employment Division does not approve or deny alien employment certifications: this is done by the U.S. Department of Labor. The U.S. Immigration and Naturalization Service completes the process by granting or denying the alien the right to work in the U.S.

The increase in the number of alien labor certification applications by Oregon employers in the past year is further evidence of a growing shortage of qualified U.S. workers, at least for the specialized and often highly technical kinds of occupations discussed above. ☐

STATE OF OREGON UNEMPLOYMENT RATES BY AREA

March 1990

	Civilian Labor Force	Total Employment	Unemployment	Rate[1]
State of Oregon	1,425,800	1,345,000	80,800	5.7
Eugene MSA[2]	144,500	136,300	8,200	5.7
Medford MSA[3]	69,720	64,670	5,050	7.2
Portland PMSA[4]	658,000	630,900	27,100	4.1
Salem MSA[5]	129,700	122,100	7,600	5.9
Baker	6,770	5,990	780	11.5
Benton	37,280	36,050	1,230	3.3
Clatsop	17,560	16,240	1,320	7.5
Columbia	17,350	16,220	1,130	6.5
Coos	26,120	23,750	2,370	9.1
Crook	6,870	6,300	570	8.3
Curry	9,090	8,500	590	6.5
Deschutes	38,970	36,520	2,450	6.3
Douglas	44,540	41,040	3,500	7.9
Gilliam	980	930	50	5.1
Grant	4,220	3,560	660	15.6
Harney	4,030	3,520	510	12.7
Hood River	9,400	8,670	730	7.8
Jefferson	6,370	5,920	450	7.1
Josephine	25,880	23,760	2,120	8.2
Klamath	25,570	22,820	2,750	10.8
Lake	3,780	3,320	460	12.2
Lincoln	18,760	17,490	1,270	6.8
Linn	42,440	39,160	3,280	7.7
Malheur	11,640	10,930	710	6.1
Morrow	3,690	3,270	420	11.4
Sherman	720	670	50	6.9
Tillamook	8,980	8,350	630	7.0
Umatilla	28,430	25,800	2,630	9.3
Union	11,150	10,180	970	8.7
Wallowa	3,550	3,100	450	12.7
Wasco	9,240	8,530	710	7.7
Wheeler	600	500	100	16.7

[1] *Not Seasonally Adjusted*

[2] *Lane County*

[3] *Jackson County*

[4] *Clackamas, Multnomah, Washington, Yamhill counties*

[5] *Marion and Polk counties*

BUSINESS & EMPLOYMENT OUTLOOK

The Oregon Employment Division's Research and Statistics section is offering a three for the price of one special on the **Business & Employment Outlook**. This publication, previously appearing as a solo volume, now will be a trio. Volume I: Economic Structure & Analysis (Program Year 1990 & 1991), which has just been published, focuses on population, labor force, economic and industry trends, and income and wages. A report on these topics has been prepared for each of the 14 JTPA (Job Training Partnership Act) administrative districts in Oregon.

These publications are written by Employment Division regional economists, and prepared under the joint orchestration of Research and Statistics, the Oregon Economic Development Department's JTPA Administration, and local Private Industry Councils. Volume 2 (known in musical circles as "Opus 2"), to be released later this year, will discuss the long-term occupational and industrial outlooks for the districts; Volume 3 will consist of JTPA planning information.

These publications should benefit anyone in search of labor market information. Act now if interested: a limited number of copies of the first volume are available, and may be obtained by writing to the following person:

Oregon Employment Division
Attn: Kathi Groome
Research & Statistics
875 Union St. N.E.
Salem, Oregon 97311
Tele: (503) 378-8657 ☐

EMPLOYERS' CORNER: APPLAUSE, REFOCUS, AND REQUEST

Christine Speak

(Editor's note: Christine Speak is the personnel assistant at Quality Plastics in Newberg, Oregon. Quality Plastics is a custom injection molding firm and employs 230 individuals.)

Oregon's delegation to the Job Service Employer's Committee (JSEC) national convention in Washington DC was the largest, most vocal, and most knowledgeable state team. We were fourteen Oregon employers plus four Employment Division employees strong.

> ***. . .our partnership is light years ahead of most Employment Division/Employer partnerships.***

During our meetings with other state JSEC teams we brainstormed, compared, and contrasted our activities and endeavors. Topics ranged from 'supplemental funding or truth in budgeting: where do we concentrate our efforts?' to 'videos: a viewing of those produced and how might we use this communication tool?'

The Oregon team left DC realizing our partnership is light years ahead of most Employment Division/Employer partnerships. We are a forerunner. . .and proud of it.

For the opportunity to develop our partnership we applaud the Employment Division.

While in Washington DC, we met with four Oregon legislators and three legislative aides. At these meetings we presented examples of Employment Division/Employer success stories: the many instances when our relationship has successfully linked employers and employees.

For these successes we applaud our partnership.

Thirty-eight employers attended our JSEC executive board meeting in March. This meeting offered JSEC a chance to refocus. We discussed goals, recapped our DC trip, and how to be politically active and reap the benefits of the fresh perspectives of newcomers.

We applaud these and all the employers who volunteer their time and energy to continue our partnership.

Pamela Mattson, Employment Division Administrator, attended the JSEC executive board meeting. As a prelude to our goal setting, Pamela outlined Employment Division goals:

AUTOMATION
— Develop a comprehensive, compatible electronic linkage
INFORMATION
— Present positive labor market information
LEADERSHIP
— Empower local offices and political and interdepartmental advocacy
RELATIONSHIPS
— Build bridges with agencies, associations, employers, and advocates

In response to Employment Division goals, as well as our experiences locally and in Washington DC, JSEC developed two goals.

First, we aim to market JSEC to increase public and private sector awareness of JSEC as a positive, proactive organization. Second, through building relationships in the business community, the public sector, and the political arena we will develop JSEC into a 'coalition organization' known for bringing groups together and creating strength through unity.

I request that you familiarize yourself with JSEC. Employment Division employees - introduce yourselves to your local JSEC chairperson and attend local JSEC meetings. Business people - learn more about JSEC and what our organization and our partnership can do for your business.

For information about your local Job Service Employer's Committee call the nearest Employment Division office or Judy Lofton, JSEC Coordinator, in Salem at 378-4446.

LMI LABOR MARKET INFORMATION

STATE OF OREGON

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MAY 1990

OREGON LABOR TRENDS

State of Oregon • Employment Division • Department of Human Resources

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Apr.	1990	4.8
Mar.	1990	5.0
Apr.	1989	5.7

United States (Seas. Adj.)

Apr.	1990	5.4
Mar.	1990	5.2
Apr.	1989	5.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

Apr.	1990	133.2
Mar.	1990	132.9
Feb.	1990	132.1
Jan.	1990	132.1
Dec.	1989	130.5

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Mar.	1990	$11.05
Feb.	1990	$11.00
Mar.	1989	$10.83

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Mar.	1990	39.4
Feb.	1990	38.0
Mar.	1989	39.2

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
July-Dec. 1989	121.6
Yearly change	4.9%
Annual Average 1989	120.4
Yearly change	5.0%
United States	
Apr. 1990	128.9
Yearly change	4.7%
Annual Average 1989	124.0
Yearly change	4.8%

Portland Hotline 326-4132

OUT FOR THE COUNT

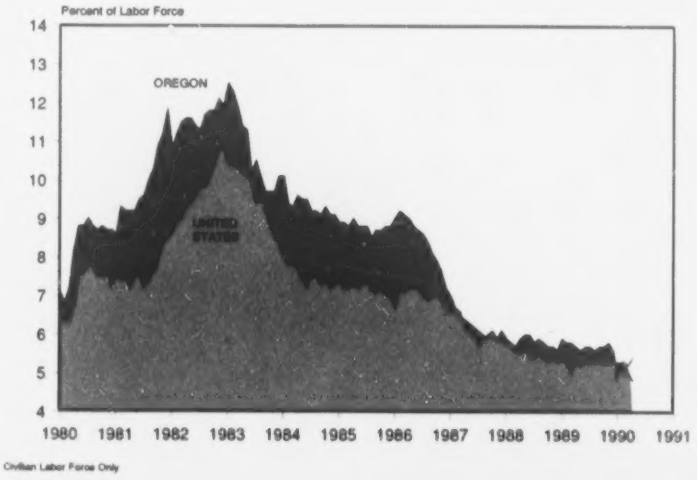
Graham Slater

Think for a minute about those of us working in organizations like the Employment Division's Research and Statistics section. There are many emotions which probably run through your mind; humor, pity, or amazement high among them. Remember, though, that we actually like spending almost our entire worklives dealing essentially with numbers -- the trends they demonstrate, our analysis of what they mean, and our projections of how they will look in the future. Given that, it will come as no surprise that the decennial census is a high point in our long-term calendar: a chance to verify all the things that we believe to be true based on ten years of less-than-perfect data on all kinds of economic and demographic issues.

Even more exciting (if that is possible) are those occasions when the business of economics, and employment economics in particular, comes crashing to the forefront of public interest. Seldom has that been more evident than in the past few months as study after study, news release after news release, have been issued addressing aspects of the spotted owl/log supply crisis. In fact, the main counting taking place in April may not have been done by the census people, but by those attempting to enumerate the economic implications of the spotted owl conservation strategy proposed by an interagency scientific study group.

With all this counting going on, what were we doing? Well, the same old stuff, which in my case largely means using our monthly survey of Oregon employers to make the best estimates possible of where Oregon's economy stands right now. Let's take a look at the April picture, with a few sidetracks to relate what we are showing to the other analyses you may have read about.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



Civilian Labor Force Only

OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	APR.1/ 1990	MAR.2/ 1990	APR. 1989	CHANGE FROM MAR. 1990	CHANGE FROM APR. 1989
TOTAL 5/	1,238,000	1,225,400	1,187,200	12,600	50,800
WAGE & SALARY EMPLOYMENT INDEX 6/	133.2	132.9	127.7	XXX	XXX
GOODS PRODUCING INDUSTRIES 7/	264,200	260,800	254,300	3,400	9,900
SERVICE PRODUCING INDUSTRIES 8/	973,800	964,600	932,900	9,200	40,900
TOTAL MANUFACTURING	213,600	214,100	209,700	-500	3,900
DURABLE GOODS	157,500	157,700	154,300	-200	3,200
LUMBER & WOOD PRODUCTS	64,400	64,600	63,700	-200	700
LOGGING	10,000	9,900	10,900	100	-900
SAWMILLS	21,800	22,200	22,100	-400	-300
VENEER & PLYWOOD	15,400	15,400	14,600	0	800
MILLWORK & STRUCTURAL WOOD	10,900	10,900	10,300	0	600
MOBILE HOMES	1,900	1,900	1,800	0	100
OTHER WOOD PRODUCTS	4,400	4,300	4,000	100	400
FURNITURE AND FIXTURES	2,900	3,000	2,900	-100	0
STONE, CLAY, GLASS & CONCRETE	4,300	4,200	4,100	100	200
PRIMARY METALS	11,400	11,500	10,700	-100	700
BLAST FURNACES, IRON & STEEL 9/	5,900	5,900	5,500	0	400
NONFERROUS METALS 9/	5,500	5,600	5,200	-100	300
FABRICATED METALS	11,700	11,600	12,700	100	-1,000
FABRICATED STRUCTURAL METALS	5,000	4,900	5,700	100	-700
OTHER FABRICATED METALS	6,700	6,700	7,000	0	-300
MACHINERY	18,100	18,200	17,400	-100	700
OFFICE & COMPUTING MACHINES	4,900	4,900	4,300	0	600
OTHER MACHINERY	13,200	13,300	13,100	-100	100
ELECTRONIC & OTHER ELECTRIC EQUIPMENT 9/	17,000	16,800	15,000	200	2,000
TRANSPORTATION EQUIPMENT	12,100	12,000	11,200	100	900
INSTRUMENTS & RELATED PRODUCTS 9/	11,900	12,000	12,700	-100	-800
MISCELLANEOUS MANUFACTURING	3,700	3,800	3,900	-100	-200
NONDURABLE GOODS	56,100	56,400	55,400	-300	700
FOOD & KINDRED PRODUCTS	21,300	21,500	20,500	-200	800
CANNING & PRESERVING	10,500	10,700	10,300	-200	200
OTHER FOOD PRODUCTS	10,800	10,800	10,200	0	600
TEXTILE MILL PRODUCTS	1,700	1,700	1,700	0	0
APPAREL	2,600	2,700	2,700	-100	-100
PAPER & ALLIED PRODUCTS	8,600	8,700	9,000	-100	-400
PRINTING & PUBLISHING	13,800	13,800	13,400	0	400
CHEMICALS & ALLIED PRODUCTS	2,300	2,300	2,200	0	100
PETROLEUM & ASPHALT PRODUCTS	500	400	500	100	0
RUBBER & PLASTIC PRODUCTS	4,800	4,800	4,900	0	-100
LEATHER PRODUCTS	500	500	500	0	0
TOTAL NONMANUFACTURING	1,024,400	1,011,300	977,500	13,100	46,900
MINING & QUARRYING	1,300	1,300	1,300	0	0
CONSTRUCTION	49,300	45,400	43,300	3,900	6,000
BUILDING CONSTRUCTION	12,800	12,000	11,400	800	1,400
HEAVY CONSTRUCTION	6,100	4,700	6,200	1,400	-100
SPECIAL TRADE CONTRACTORS	30,400	28,700	25,700	1,700	4,700
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	64,000	64,000	61,800	0	2,200
TRANSPORTATION	42,400	42,400	40,600	0	1,800
RAILROAD	3,800	3,800	3,900	0	-100
TRUCKING & WAREHOUSING	24,300	24,500	23,000	-200	1,300
OTHER TRANSPORTATION	14,300	14,100	13,700	200	600
COMMUNICATIONS	12,400	12,400	12,400	0	0
UTILITIES	9,200	9,200	8,800	0	400
TRADE	315,800	312,400	299,100	3,400	16,700
WHOLESALE TRADE	80,600	81,100	76,000	-500	4,600
DURABLE GOODS	47,400	47,100	44,700	300	2,700
MACHINERY, EQUIPMENT, & SUPPLIES	11,200	11,100	10,700	100	500
OTHER DURABLE GOODS	36,200	36,000	34,000	200	2,200
NONDURABLE GOODS	33,200	34,000	31,300	-800	1,900
GROCERIES & RELATED PRODUCTS	12,200	13,100	11,600	-900	600
OTHER NONDURABLE GOODS	21,000	20,900	19,700	100	1,300
RETAIL TRADE	235,200	231,300	223,100	3,900	12,100
BUILDING MATERIALS & GARDEN SUPPLIES	9,000	8,600	7,800	400	1,200
GENERAL MERCHANDISE	29,300	29,000	27,400	300	1,900
FOOD STORES	41,100	40,400	37,900	700	3,200
AUTO DEALERS & SERVICE STATIONS	29,200	28,900	28,800	300	400
APPAREL & ACCESSORY STORES	9,600	9,600	8,900	0	700
FURNITURE & HOME FURNISHINGS	9,700	9,800	9,000	-100	700
EATING & DRINKING PLACES	83,600	81,600	80,200	2,000	3,400
MISCELLANEOUS RETAIL	23,700	23,400	23,100	300	600
FINANCE, INSURANCE, & REAL ESTATE	75,600	75,600	74,700	0	900
FINANCE	28,000	28,100	27,700	-100	300
INSURANCE	22,200	22,200	22,200	0	0
REAL ESTATE	25,400	25,300	24,800	100	600
SERVICES	290,400	287,900	278,700	2,500	11,700
HOTELS & OTHER LODGING PLACES	19,000	18,300	18,000	700	1,000
PERSONAL SERVICES	10,800	10,800	11,100	0	-300
BUSINESS SERVICES	47,800	47,300	46,200	500	1,600
AUTOMOTIVE & MISC. REPAIR SERVICES	15,500	15,100	15,100	400	400
MOTION PICTURES & AMUSEMENTS	15,300	15,100	14,200	200	1,100
HEALTH SERVICES	85,500	85,100	80,800	400	4,700
LEGAL SERVICES	8,700	8,800	8,600	-100	100
PRIVATE EDUCATION	15,400	15,300	15,500	100	-100
SOCIAL SERVICES	25,900	25,900	24,100	0	1,800
ENGINEERING & MANAGEMENT SERVICES	19,300	19,300	19,400	0	-100
OTHER SERVICES & NEC	27,200	26,900	25,700	300	1,500
GOVERNMENT	228,000	224,700	218,600	3,300	9,400
FEDERAL GOVERNMENT	35,300	32,200	31,300	3,100	4,000
STATE GOVERNMENT	60,900	61,100	60,100	-200	800
EDUCATION	25,900	26,300	25,400	-400	500
OTHER STATE	35,000	34,800	34,700	200	300
LOCAL GOVERNMENT	131,800	131,400	127,200	400	4,600
EDUCATION	83,900	84,400	81,700	-500	2,200
OTHER LOCAL	47,900	47,000	45,500	900	2,400
LABOR-MANAGEMENT DISPUTES 10/	900	900	3.800	0	-2,900

OREGON RESIDENT LABOR FORCE
(BY PLACE OF RESIDENCE)

	APR. 1/ 1990	MAR. 2/ 1990	APR. 1989	CHANGE FROM MAR. 1990	CHANGE FROM APR. 1989
CIVILIAN LABOR FORCE 3/	1,451,000	1,425,700	1,481,600	25,300	- 30,600
UNEMPLOYMENT	71,500	80,700	86,900	- 9,200	- 15,400
PERCENT OF LABOR FORCE	4.9	5.7	5.9	XXX	XXX
SEASONALLY ADJUSTED PERCENT	4.8	5.0	5.7	XXX	XXX
TOTAL EMPLOYMENT 4/	1,379,500	1,345,000	1,394,700	34,500	- 15,200

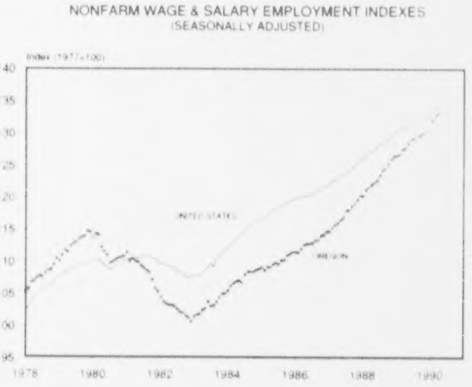
1/ Preliminary
2/ Revised
3/ Includes employed and unemployed individuals 16 years and older, adjusted for multiple job-holding and commuting.
4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.
5/ Includes full- and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: These data are estimated in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration. All data are based on the 1987 Standard Industrial Classification (SIC) codes.
6/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of 0.8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).
7/ Goods producing industries include manufacturing, mining, and construction.
8/ Service producing industries include transportation, communications, and utilities; trade; finance, insurance, and real estate; services; and government.
9/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.
10/ Employees involved in labor disputes are not included in wage and salary employment counts.

If I had to rate April's employment performance on a scale of one to ten, I'd be hard-pressed to put it much above a five. Yes, the unemployment rate dropped (from a seasonally adjusted 5.0% to 4.8%). And yes, the wage and salary employment index increased (as it has in all but two of the past 30 months). But the overriding feature of the April activity was weakness, not necessarily limited to the lumber and wood industry. In fact, without the Census Bureau kicking into high gear, seasonally adjusted employment would have taken a downturn in April, the first time that would have happened since January 1988.

Government employment was one of the three big winners in April, with a 3,300 increase over the March level. Although we haven't yet received the official employment data from the Census Bureau (the ultimate irony), phone calls to each of the five regional offices in Oregon suggested that April employment stood in excess of 3,000; substantially above the 700 March level. At least 1,000 more employees are expected to be hired during April and May as the foot soldiers hit the streets seeking information from the roughly one-third of Oregonians who did not mail in their census form on time.

April was a fabulous month in retail trade. . .

Even though the census is creating thousands of jobs in Oregon and across the nation, they are certainly not long-term, economy-building jobs. Few of the jobs will last more than three or four months. Oregon's retail trade sector stands in stark contrast to this situation, with employment growth for seven consecutive years, and more jobs being added all the time. April was a fabulous month in retail trade with 3,900 new jobs, far in excess of the 2,800 increase which would be normal at this time of year based on purely seasonal trends.



The third industry which recorded major employment growth in April was construction, which, like retail trade, added 3,900. (It's worth noting, though, that 3,900 new jobs in construction represents a huge 8.6% increase, whereas in retail trade it reflects a much more palatable 1.7%.) Perhaps the most amazing single statistic to come out of our April analysis was that construction employment (49,300) now stands at the second highest April level, with only 500 jobs fewer than in April 1979, the high-water mark of pre-recession Oregon history! New jobs in April were widely spread between the three main components of construction: general building contractors (up 800), heavy construction (up 1,400), and special trades contractors (up 1,700).

With all this positive news, you're probably wondering why I characterized the month as a five, and used the phrase "weakness" in my opening comments. Well, for a start, seasonally adjusted services employment actually fell between March and April. I admit it only dropped by 100, and a one month trend means little, but this is the third decline in six months, an unthinkable situation over the past few years. In addition to services, the following industry groups also recorded seasonally adjusted downturns: mining; transportation, communications, and utilities; wholesale trade; and finance, insurance, and real estate.

Looking at the manufacturing sector offers no encouragement either -- in fact, the picture almost gets worse. Even if we exclude lumber and wood products from the manufacturing data, it would still be true that manufacturing employment dropped by 500 after allowing for normal seasonal trends. There are occasions when that would be no big deal. The completion of a major ship repair contract, for example, could result in a job loss twice that size. But the job declines in April were more widespread than that, and therefore, more difficult to document and, indeed, correct.

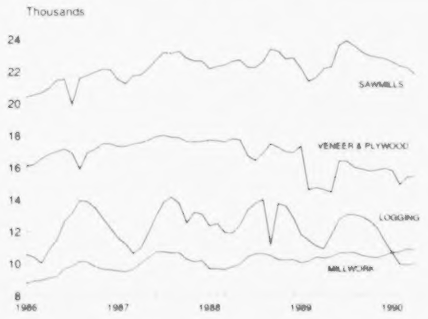
While no manufacturing industries outside of lumber recorded major job declines, the entire "other durables" group -- durable goods manufacturing except lumber and wood products -- caused great concern. Looking at the statistics wouldn't tell you much -- we expect no employment change during a typical April, and that is exactly what we got. But that ranks with the most misleading statistical comments on record. According to our employment tables (elsewhere in this publication), no single industry registered major employment shifts. But we did notice a sizable increase in the number of employment-related announcements in April - not only closures and layoffs, but also reopenings and expansions. Major layoffs were announced in furniture and fixtures, fabricated metals, and instruments and related products. More positive announcements (new openings, reopenings, and/or expansion) came in stone, clay, and glass products, and electronic components and accessories. Two industries -- primary metals and ship repair -- were affected by both negative and positive announcements. And, by the time you read this, at least one more layoff announcement affecting between 1,500 and 6,000 Oregon high-tech workers, will almost certainly have been made. The point is, with this many published accounts of significant employment changes at the firm level, it appears that Oregon has moved away from a period of stability toward one of some uncertainty.

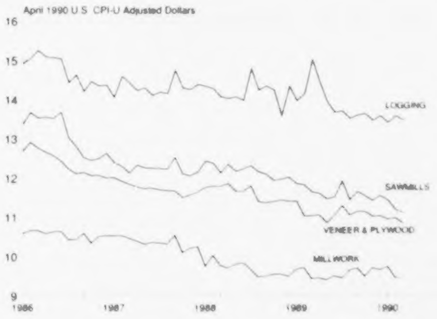
Finally, the real topic of concern for Oregon's economy -- the lumber and wood industry. Let's fill in the events of April as seen by the news media, then we'll look at the industry through the eyes of the available employment data.

The major incident in April was the release of a new scientific study on the spotted owl and its habitat. Essentially (and this is the shortest summary you will ever see of this particular report), an Interagency Scientific Committee headed by Jack Ward Thomas, a U.S. Forest Service biologist, concluded that "the owl is imperiled over significant portions of its range because of continuing losses of habitat from logging and natural disturbances." To ensure the owl's viability, the Committee proposed a two-part conservation strategy. In the first stage, "adequate amounts and distribution of habitat are protected to ensure the owl's long-term survival." The total acreage within the proposed network of Habitat Conservation Areas (HCAs) in Washington, Oregon, and California is 8.4 million acres. About 40% of these areas occur in lands already reserved in wilderness areas, national parks, and other set-asides. The second stage calls for research and monitoring to test the adequacy of the strategy, and to design silvicultural systems that might be developed to yield significant volumes of wood products while ensuring suitable habitat for the owls. Since the Thomas Committee's report was prepared from a scientific, not economic perspective, no job loss or timber harvest impacts were estimated. But calls for concrete economic impact data came quickly, and filled business pages for weeks following.

In response to the findings of the Thomas Committee, the U.S. Forest Service and Bureau of Land Management (BLM) formed an interagency staff team to analyze the economic impacts. Their report, issued in early May, compared implementation of current plans for National Forests and BLM Districts with implementation of the spotted owl conservation strategy. Among Oregon National Forests, the volume of timber offered for sale would drop by 38% by 1995, with the Willamette and Siuslaw National Forests facing the biggest timber sale volume reductions. BLM lands in Western Oregon would reduce timber sale volumes even more substantially, with an overall 62% cutback. More than half of the current timber sales level would be eliminated in the Salem, Eugene, Roseburg, and Coos Bay Districts. The other District, Medford, would face a 42% reduction.

According to the USFS/BLM analysis, adoption of the owl plan and projected final plans for the National Forests would cost the Northwest some 25,500 direct and indirect jobs by 1995 due to the harvest volume reductions on federal lands. However, an expected increase in private harvests would reduce the total job losses to a net decline of "only" 13,300. This influx of private timber is not expected to last, though, so by 2000, the actual job loss would reach about 28,000. Oregon's portion of this projected job loss is estimated at about 16,000.


LUMBER EMPLOYMENT BY SECTOR
Oregon: 1986-1990


Average Hourly Earnings
Oregon: 1986-1990

Predictably, few of those offering comments on the USFS analysis came close to agreeing with it. Environmental groups charged that USFS projections overstated the job losses. The Oregon Natural Resources Council said that only about 6,500 of the lost jobs would be directly attributable to the owl habitat plan. And increased cutting on private lands would reduce this figure to just 4,000. The Wilderness Society stated that the USFS analysis ignores the impact of reducing log exports. The Society contends that an end to log exports would provide enough timber to supply domestic mills.

From an industry perspective, the USFS projections are seen as understating the damage. Industry spokespersons claimed that the private lands will not make up for half the employment and harvesting loss from federal lands by 1995. In addition, there is grave concern that whatever the total job loss across the Northwest, some small, timber-dependent communities will face severe recession as massive layoffs cause ripple effects through the communities' trade, service, and real estate sectors.

Returning to current data, a much safer and more accurate subject, April was a dismal month for the lumber industry. Employment dropped by 200 at a time of year when a 600 increase would be more typical. And don't be misled by the +700 comparison with year ago figures. Last year there were 3,600 lumber workers on strike; this year, just 300. Therefore, the true change in lumber employment has been closer to -2,600. In addition, our April employment estimates included eleven announced cutbacks and/or closures, while only two mills showed employment growth after previous layoffs.

For the past couple of years, Employment Division staff have been compiling and maintaining a list of lumber closures. Most of these have been gleaned from media reports, although a few come directly from our monthly survey of Oregon employers. A table listing all the "published" closures and giving the total job loss from the "confidential" closures can be obtained by calling Graham Slater at (503) 378-2477. This list currently includes 64 announced closures and/or cutbacks accounting for a total of 5,799 jobs. Sawmills (with 30 closures accounting for 3,010 jobs) and veneer and plywood (25 for 2,331) have borne the brunt of the closure announcements since July 1988.

One of the problems with such a list is that many smaller firms are never included, simply because a layoff of 10 or 20 employees is unlikely to make it into any but the most localized newspaper. This problem is particularly evident in logging, where more than three-fourths of the firms have fewer than 10 employees. (Across the rest of the lumber industry, less than 40% of the companies have fewer than 10 workers.) So although our closures list has only one logging outfit, logging employment has dropped substantially over the past two years. One of the attached graphs shows employment trends for the four major lumber and wood sectors, and clearly shows that the peaks and troughs of the seasonal logging cycle are occurring at lower levels these past two years. In addition, what is normally a brief one-month trough during the deepest winter has stretched into a three-month valley this year. The April employment level (10,000) is the lowest since 1982 (8,700) and 1983 (9,700), the only two years on record where employment was lower. Comparing with the past two years, April employment was 900 below 1989, and 1,900 under 1988. Given the mild weather of the recent past, weather conditions were certainly not to blame.

After adjusting for inflation, the average hourly earnings of lumber and wood production workers has dropped steadily and substantially over the past four years.

One further point regarding logging, (which, as shown on the attached graph, applies equally to sawmills, veneer and plywood, and millwork). After adjusting for inflation, the average hourly earnings of lumber and wood production workers has dropped steadily and substantially over the past four years. In logging, the high point in this period came in March 1986 with $15.25 (in April 1990 dollars). November 1989, January 1990, and March 1990 all came in below $13.50.

Sawmills took the brunt of the April cutbacks, with six announced layoffs accounting for more than 300 jobs. Employment in sawmills has declined for nine straight months and in spite of seasonal expectations to the contrary, may well continue this trend for many more.

Veneer and plywood employment appears healthy compared with last year, but only because of the massive labor dispute described above. Without last year's strike-affected number, the current 15,400 is the lowest April level since 1972 when comparable records began. Look back at the employment graph. If you visualize a straight line replacing the four-month strike early in 1989, there is a definite downward trend.

Millwork remains the one truly bright spot in the lumber industry as employment continues to grow. The 10,900 April level, unchanged from March, is an all-time high. Even so, there was a subtle warning that this growth might not continue. A typical April would include the addition of 300 millwork jobs, not merely a maintenance of the March employment level.

For completeness, let's consider the other two areas of the lumber industry. While mobile home manufacturing is not the most significant in terms of employment, it did register an excellent year in 1989, with 200 new jobs -- significant when total employment was only 1,800. Thus far in 1990, the industry is offering about 100 more jobs than at the same time in 1989.

Other wood products, defined as "anything we haven't already covered," has dropped about 100 jobs over the past couple of years. The current employment level of 4,400 is divided roughly as follows:

- Wood boxes, pallets, and containers -- approximately 400 employees
- Wood preserving -- 400 employees
- Reconstituted wood (such as flakeboard, particleboard, waferboard, and the like) -- 2,000 employees
- Other (a veritable "what's what" of wooden items such as fencing, firewood, frames, ladders, oars, poles, rolling pins, toilet seats, and toothpicks!) -- 1,600 employees

Two final points to ponder. First, while the spotted owl is certainly the most pressing employment-related issue in Oregon right now, protecting the environment is a cause that is gaining widespread attention and momentum on a nationwide basis. In the past two weeks, major headlines have dealt with issues ranging from mountain goats vs. old-growth timber in Washington; red-cockaded woodpeckers vs. old pine trees in Florida, Louisiana, and other Southern states; and Mount Graham red squirrels vs. a proposed University of Arizona observatory in Arizona. (This one is particularly interesting because it involves confrontation not between environmentalists and industry, but between environmentalists and other scientists -- those who favor knowledge of our own planet against those more interested in studying others.)

Second, at the time of writing this article, several thousand census enumerators are "out for the count," attempting to gather information from all those Oregon residents who did not mail in their census form as requested. As the Census Bureau knows well, getting accurate, complete, and timely information is no easy task. There are a thousand and one reasons for not receiving such information, ranging from innocent forgetfulness to deliberate misrepresentation. Many of the reasons are also active in the current lumber debate. Whether counting old-growth survivors, spotted owls, or employed lumber workers, there is an incredibly wide range of estimates from which analysts must choose. Even on a current basis, the only one of the three numbers which appears to be widely agreed upon is current employment in the industry. But looking at the future, employment levels are as much an unknown as any other factors. Look at these quotes from media analysis over the past few weeks:

- "How many Northwest jobs will be lost to protect the spotted owl? Pick a number, any number. It's probably close to one somebody has put forth ..."
- "Roller-coaster estimates of job losses from proposed federal timber shutdowns reflect politics and varying assumptions. But state and federal officials said Tuesday that one thing was certain: Nobody knows."

For most of us, outside the corridors of power, there's not much we can do but wait and see. For those of us charged with tracking the employment situation, you can be sure that we will be noting every development, listing every closure, and publishing every piece of information which might be of interest or assistance to those attempting to plan a stable and balanced future for this state. ☐

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Mar.[2] 1990	Feb.[3] 1990	Mar. 1989	Mar.[2] 1990	Feb.[3] 1990	Mar. 1989	Mar.[2] 1990	Feb.[3] 1990	Mar. 1989
TOTAL MANUFACTURING[4]	$435.37	$418.00	$424.54	39.4	38.0	39.2	$11.05	$11.00	$10.83
Durable Goods	440.27	422.11	429.37	39.7	38.2	39.5	11.09	11.05	10.87
Lumber & Wood Products	438.29	413.19	433.01	39.7	37.7	39.4	11.04	10.96	10.99
Logging & Sawmills	461.77	422.01	468.70	39.1	36.1	38.8	11.81	11.69	12.08
Veneer & Plywood	441.86	432.04	424.04	40.8	39.6	40.5	10.83	10.91	10.47
Millwork & Structural	381.24	375.06	360.19	40.3	39.9	40.2	9.46	9.40	8.96
Mobile Homes	339.38	304.31	318.79	35.8	33.7	35.5	9.48	9.03	8.98
Other Wood Products	424.23	424.51	415.04	39.5	39.6	40.1	10.74	10.72	10.35
Furniture & Fixtures	350.04	354.54	330.41	36.5	38.0	35.3	9.59	9.33	9.36
Primary Metals	507.06	508.41	505.94	40.5	41.1	41.2	12.52	12.37	12.28
Fabricated Metals	420.42	383.99	384.23	39.7	37.1	38.5	10.59	10.35	9.98
Machinery (Ex Electrical)	445.32	445.90	446.49	40.3	39.6	41.0	11.05	11.26	10.89
Nondurable Goods	421.83	405.08	411.18	38.7	37.3	38.5	10.90	10.86	10.68
Food & Kindred Products	344.77	332.17	331.78	36.6	35.3	36.3	9.42	9.41	9.14
Canning & Preserving	289.45	275.52	274.28	35.0	33.6	34.5	8.27	8.20	7.95
Other Food Products	417.27	406.88	406.07	38.6	37.5	38.6	10.81	10.85	10.52
Textile Mill Products	239.36	221.38	248.98	32.0	29.4	34.2	7.48	7.53	7.28
Apparel	266.47	254.69	248.44	38.9	37.4	37.7	6.85	6.81	6.59
Paper & Allied Products	646.34	618.00	674.10	42.3	41.2	45.0	15.28	15.00	14.98
Printing & Publishing	487.77	450.38	423.15	39.4	37.5	36.7	12.38	12.01	11.53
Construction[4]	575.05	498.51	541.80	37.1	32.1	36.0	15.50	15.53	15.05
Communications & Utilities[5]	532.13	543.23	530.00	39.8	40.6	40.0	13.37	13.38	13.25
Trade[5]	320.51	316.51	306.12	34.5	33.6	33.9	9.29	9.42	9.03
Wholesale Trade	420.92	417.38	408.34	38.3	37.1	37.6	10.99	11.25	10.86
Retail Trade	268.13	263.74	251.69	32.5	31.7	31.9	8.25	8.32	7.89
Banking & Insurance[5]	361.09	375.07	333.04	36.4	36.7	36.8	9.92	10.22	9.05
State & Local Government	399.31	404.65	377.82						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

IS OREGON'S WORKFORCE AT RISK?

Jeff Hannum

Oregon is facing a potential "skill's gap" in the next decade where the educational and technical abilities of workers may not match with the new jobs and changing occupational requirements of current jobs.

Oregon is facing a potential "skill's gap" in the next decade...

That's one of the key trends cited in a newly-released Employment Division report entitled *Oregon Workforce at Risk*. The report discusses major trends and issues facing Oregon in the 1990s and the state's strategic plan for developing a competitive workforce.

The first section of the report includes analysis, demographic and economic projections to the year 2000. Included are projections of Oregon's population, labor force, unemployment rates, and employment by industry and occupation. For example, during the 1980s goods-producing jobs in Oregon declined by 6,000 while 170,000 service-producing jobs were created. Employment Division economists predict that over 200,000 new jobs will be created in the 1990s, with 92 percent of these new jobs coming in service-producing industries. Currently, 78 percent of wage and salary jobs are in the service sector.

In manufacturing, about 11,000 new jobs are likely in the next decade, but job declines in Oregon's timber industry are expected to continue. Over 8,000 wood products jobs will be lost due to reduced timber supplies, environmental constraints, automation, and other reasons. By the year 2000, manufacturing will account for only 15.9 percent of Oregon's total wage and salary employment, an historical low.

The second section of the report focuses on several key issues that will affect Oregon's economy and labor force in the 1990s.

...over 200,000 new jobs will be created in the 1990s, with 92 percent of these new jobs coming in service-producing industries.

First is the issue of productivity and its impact on Oregon's and the nation's ability to compete effectively in the world economy. The productivity record over the past 20-30 years is reviewed, indicating that the U.S. has not been keeping up with increases in other countries. Productivity growth not only has important implications for our standard of living, it also is critical if we are to improve our competitive position.

The second issue discussed is the impact of technology on the workplace. The occupational profile of an industry can be significantly changed by the introduction of new technology. Labor-intensive jobs are eliminated. The remaining jobs are changed because the tasks to be performed involve the use of new machinery and/or processes. As a result, workers may need higher levels of reading, writing, math, problem-solving and interpersonal skills in order to do their work. This signals the need for workers to have more and/or higher levels of training at the entry level. It also means that if Oregon is to improve its competitive position, it must provide a high quality education and training system that will serve all Oregonians throughout their worklives.

The "contingent" labor force and its effect on the economy is the third issue discussed. The contingent labor force includes temporary, part-time, and subcontracted employees. For a variety of reasons, each of these groups will become a more important part of tomorrow's labor force.

The way work is organized is becoming as important to worker productivity as are the skill levels of workers.

OREGON'S CHANGING ECONOMY
1980-2000

Employment By Occupation
(Thousands)

				1980-1990 CHANGE		1990-2000 CHANGE	
	1980	1990	2000	Number	Percent	Number	Percent
Managers & Administrators	64.0	70.7	86.2	6.7	10.5%	15.5	21.9%
Professional & Technical Workers	165.0	236.2	292.8	71.2	43.2%	56.6	24.0%
Sales Workers	121.7	147.9	178.8	26.2	21.5%	30.9	20.9%
Clerical Workers	195.9	223.4	257.3	27.5	14.0%	33.9	15.2%
Service Workers	163.4	189.8	237.9	26.4	16.2%	48.1	25.3%
Ag/Forestry Workers	17.4	22.7	24.0	5.3	30.5%	1.3	5.7%
Precision/Craft/Repair Workers	119.6	119.3	133.6	-0.3	-0.3%	14.3	12.0%
Operators/Fabricators/Laborers	207.9	198.5	204.4	-9.4	-4.5%	5.9	3.0%
TOTAL	1054.9	1208.5	1415.0	153.6	14.6%	206.5	17.1%

NOTE 1990 and 2000 projected data are adjusted using national change factors for major occupational groups
1980 data includes some additional agricultural industry workers across all occupational groups

The fourth issue covered is the changing nature of worklife. The way work is organized is becoming as important to worker productivity as are the skill levels of workers. Different approaches to the development of human resources that may be reflected in the workplace of the 1990s are reviewed.

These changes in the workplace and increasing economic competition worldwide lead to the fifth issue which is the need for higher levels of education and training within the workplace. Topics covered include the skills that should be taught, the need to review current teaching strategies, and the need for industry and education to form partnerships to ensure that schools are teaching skills required in the workplace.

> ***. . . tomorrow's workers will need higher levels of education and more skills.***

The end result is that tomorrow's workers will need higher levels of education and more skills. It is estimated that by the year 2000, jobs will require an average of 13.3 years of education. Workers will also need to be flexible and able to adapt to new processes. The educational system must provide Oregonians the opportunity to obtain the knowledge and skills required. As the pace of changing technology increases, the need for training and retraining workers will also increase.

The last section of the report summarizes Oregon's strategic plan to develop a strong economy and a quality workforce and educational system. Governor Neil Goldschmidt has outlined a plan entitled *Oregon Shines* to accomplish this goal. The plan envisions the coordination of activities across a broad spectrum of services that will address issues faced by Oregon citizens from early childhood development through the educational system and beyond.

Copies of the *Oregon Workforce at Risk* report are available by contacting:

Employment Division - R&S
Attn: Susan Bell
875 Union Street NE
Salem, Oregon 97311
Ph: (503) 378-6400 □

OREGON'S CHANGING ECONOMY
1980-2000

Employment By Industry
(Thousands)

	1980	1990	2000	1980-1990 CHANGE Number	1980-1990 CHANGE Percent	1990-2000 CHANGE Number	1990-2000 CHANGE Percent
TOTAL NONFARM WAGE & SALARY	1044.6	1208.5	1415.0	163.9	15.7%	206.5	17.1%
MANUFACTURING	215.1	213.7	224.7	-1.4	-0.7%	11.0	5.1%
DURABLE GOODS	159.6	154.3	157.7	-5.3	-3.3%	3.4	2.2%
LUMBER & WOOD PRODUCTS	69.5	63.6	55.1	-5.9	-8.5%	-8.5	-13.4%
FURNITURE & FIXTURES	2.6	2.7	2.9	0.1	3.8%	0.2	7.4%
STONE, CLAY & GLASS PRODUCTS	4.5	4.6	5.0	0.1	2.2%	0.4	8.7%
PRIMARY METAL INDUSTRIES	11.0	10.6	12.4	-0.4	-3.6%	1.8	17.0%
FABRICATED METAL PRODUCTS	12.7	11.3	12.0	-1.4	-11.0%	0.7	6.2%
MACHINERY, EXCEPT ELECTRICAL	17.7	18.4	20.8	0.7	4.0%	2.4	13.0%
ELECTRIC & ELECTRONIC EQUIP.	9.8	16.7	20.6	6.9	70.4%	3.9	23.4%
TRANSPORTATION EQUIPMENT	10.3	11.3	10.9	1.0	9.7%	-0.4	-3.5%
INSTRUMENTS & RELATED PROD.	19.3	11.3	13.2	-8.0	-41.5%	1.9	16.8%
MISC. MANUFACTURING INDUSTRIES	2.2	3.8	4.8	1.6	72.7%	1.0	26.3%
NONDURABLE GOODS	55.5	59.4	67.0	3.9	7.0%	7.6	12.8%
FOOD AND KINDRED PRODUCTS	24.3	23.7	24.7	-0.6	-2.5%	1.0	4.2%
TEXTILE & APPAREL	5.2	4.2	4.0	-1.0	-19.2%	-0.2	-4.8%
PAPER & ALLIED PRODUCTS	10.4	8.9	8.7	-1.5	-14.4%	-0.2	-2.2%
PRINTING & PUBLISHING	10.0	14.1	18.2	4.1	41.0%	4.1	29.1%
OTHER NONDURABLES	5.6	8.5	11.4	2.9	51.8%	2.9	34.1%
NONMANUFACTURING	829.5	994.8	1190.3	165.3	19.9%	195.5	19.7%
MINING	2.3	1.8	1.7	-0.5	-21.7%	-0.1	-5.6%
CONSTRUCTION	46.5	42.6	47.5	-3.9	-8.4%	4.9	11.5%
TRANSP., COMM. & UTILITIES	60.5	63.7	68.0	3.2	5.3%	4.3	6.8%
TRADE	255.6	310.0	374.4	54.4	21.3%	64.4	20.8%
RETAIL TRADE	188.2	231.5	283.2	43.3	23.0%	51.7	22.3%
WHOLESALE TRADE	67.4	78.5	91.2	11.1	16.5%	12.7	16.2%
FINANCE, INS. & REAL ESTATE	70.0	76.3	95.8	6.3	9.0%	19.5	25.6%
SERVICES	191.4	281.4	368.4	90.0	47.0%	87.0	30.9%
GOVERNMENT	203.2	219.0	234.5	15.8	7.8%	15.5	7.1%
FEDERAL	30.8	33.6	32.4	2.8	9.1%	-1.2	-3.6%
STATE & LOCAL	172.4	185.4	202.1	13.0	7.5%	16.7	9.0%
GOODS-PRODUCING	263.9	258.1	273.9	-5.8	-2.2%	15.8	6.1%
SERVICE-PRODUCING	780.7	950.4	1141.1	169.7	21.7%	190.7	20.1%

Data for 1990 and 2000 are projected.

SLOW OREGON WAGE GROWTH

David Cooke

Every month in the **Oregon Labor Trends** the Emloyment Division publishes a table entitled "Average Hours and Earnings of Oregon Industrial Production Workers." This table shows estimates of weekly earnings, weekly hours, and hourly earnings for the latest month in which data are available. The figures are listed for every major manufacturing industry and several nonmanufacturing industries.

Data in these monthly tables can be used for a variety of purposes ranging from inputs into econometric models to factors used in union bargaining agreements.

Usually, only data for the entire state of Oregon is published in the **Oregon Labor Trends**. Similar series of hours and earnings figures are also published monthly for the metropolitan statistical areas (MSAs) of Oregon. These figures are published for Portland, Salem, Eugene, and Medford in each area's respective local **Labor Trends** newsletter.

Although the MSA figures do not give as detailed an industry break out as the statewide table, direct comparisons can be made between the areas in certain industry sectors such as manufacturing and lumber & wood products.

Since the annual revisions of the hours & earnings figures have recently been completed for 1989, this is a good time to take a look at some of the similarities and differences between the MSAs and the state of Oregon.

Accompanying this article is a graph of the manufacturing annual average weekly wages (not adjusted for inflation) for production workers for the years 1976 through 1989. Each line represents the average weekly earnings for a particular MSA (data are not available for 1976 and 1977 for Salem).

The first striking characteristic on the graph is the way the weekly wages in most areas seem to be increasing at nearly a constant rate from 1976 to 1983. Then after 1983, the weekly wages level off and grow only slightly for the next six years.

Most of the MSAs follow similar trends between 1976 and 1983, showing increases of roughly 8% per year. Medford shows a typical example of the growth trend exhibited since 1976 in every area except Salem. In Medford, the yearly growth is close to 10% from 1977 to 1979, a period of rapid inflation. From 1980 to 1985 the yearly growth averages close to 4%. After 1985, the growth is only about 1% per year, which translates into an average weekly wage gain of a mere $11.65 for the four year period.

Portland and Eugene showed about the same trends as Medford. Portland grew by close to 10% per year through 1981, then slowed to roughly 5% per year in the next two years. Since 1986, Portland has shown virtually no growth in average weekly earnings. Eugene has shown very little average weekly earnings growth since 1983. The 1989 annual average of $424.34 is only $7.61 higher than the 1983 annual average of $416.73.

Salem stands out noticeably from the other areas. Its average weekly earnings in the late '70s and the entire '80s were substantially lower than those of the other MSAs and the state as a whole. In 1980 Salem's average weekly earnings ($299.63) were 91% of the statewide figure ($329.57). Not only did Salem start the decade lower than the rest of the state, but it also grew at a slower rate than Oregon. By 1989, Salem's average weekly earnings ($353.60) were barely growing each year, and were only 83% of the comparable statewide figure ($425.52).

The main reason that Salem's average weekly earnings are always lower than that of the other MSAs is the difference in the composition of manufacturing industries in the region. The Salem MSA is defined as Marion and Polk counties, an area of the state with some of the most fertile farmland, and a central location for processing vegetables grown in the Willamette Valley. Here, employment in food processing makes up a fifth of the statewide total.

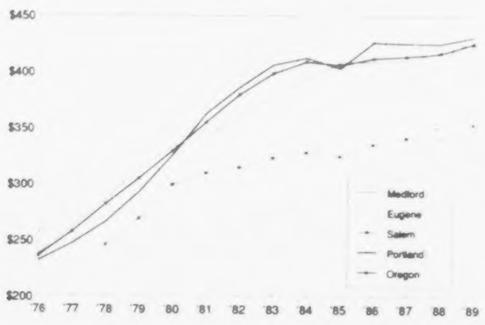
In 1989, these 4,900 food & kindred products workers in the Salem MSA made up 31% of Salem's 1989 manufacturing employment. The proportion of food & kindred products workers to total manufacturing employment was substantially lower in the other areas. The percentages are as follows: Oregon 11%, Portland 8%, Eugene 8%, and Medford 4%. Average weekly earnings in food & kindred products are generally lower than in other manufacturing industries. The greater proportion of food & kindred products workers who are paid less than their other manufacturing production worker counterparts explains the reason for the lower average weekly earnings figures in Salem.

From 1980 to 1989, the CPI-W for Portland-Vancouver increased by 33.3%. This was greater than the increase of average weekly wages in Oregon and in each of the MSAs.

Even though Salem's average weekly earnings figures are below the other MSAs, the graph of Salem's trend in the '80s shows the same slow growth in earnings as the other regions of the state.

In Oregon throughout the '80s, the wage growth in actual dollars paid has been slow. When adjusted for inflation, however, the earnings power shows a decline.

Manufacturing Average Weekly Wage for Production Workers



To measure inflation for Oregon manufacturing production workers, it may be best to use the Consumer Price Index for Urban Wage Earners & Clerical Workers (CPI-W) for Portland-Vancouver. This indicator is the most closely representative measure of inflation which has affected Oregon manufacturing production workers.

From 1980 to 1989, the CPI-W for Portland-Vancouver increased by 33.3%. This was greater than the increase of average weekly wages in Oregon and in each of the MSAs. The average weekly wage increases during the same period for Portland (32.4%) and for Oregon (29.1%) nearly kept up with inflation. Medford's increase (26.1%) was also close. But the increases for Salem (18.0%) and Eugene (17.8%) were well below the rate of inflation. (The statistical series for Portland is not strictly comparable throughout the decade. In 1983, Clark County, Washington was replaced by Yamhill County, Oregon in the definition of the Portland MSA.)

Eugene shows the most dramatic dollar impact of the loss of earning power when inflation is factored in. If average weekly wages in Eugene had kept pace with inflation, in 1989 they would have been $55.86 higher than they actually were.

> ***Whatever the reasons, the apparent declining earning power as reflected in the weekly wage statistics is a disturbing trend...***

Why has the earning power of these Oregon workers diminished, as reflected in these weekly wages? Why is the pay for Eugene workers at the end of the decade $55.86 less than the equivalent pay at the start of the decade? One of the reasons is the increased use of irregular forms of compensation (e.g. bonuses not paid each pay period, lump sum payments, etc.), which are not included in the weekly wage statistics. Another reason may be a decreased proportion of higher paid jobs due to a changing industry mix. Further reasons would certainly include actual wage cuts or small wage increases that have been experienced by workers in many manufacturing sectors. Whatever the reasons, the apparent declining earning power as reflected in the weekly wage statistics is a disturbing trend to those Oregonians who previously had become accustomed to a continually rising standard of living. ☐

1989 UNEMPLOYMENT RATES BY STATE

AREA	1989 Rank	1989	1988	1988-89 Change
United States		5.3	5.5	-0.2
Hawaii	1	2.6	3.2	-0.6
Nebraska	2	3.1	3.6	-0.5
Delaware	3	3.5	3.2	0.3
New Hampshire	3	3.5	2.4	1.1
North Carolina	3	3.5	3.6	-0.1
Connecticut	6	3.7	3.0	0.7
Maryland	6	3.7	4.5	-0.8
Vermont	6	3.7	2.8	0.9
Virginia	9	3.9	3.9	0.0
Kansas	10	4.0	4.8	-0.8
Massachusetts	10	4.0	3.3	0.7
Maine	12	4.1	3.8	0.3
New Jersey	12	4.1	3.8	0.3
Rhode Island	12	4.1	3.1	1.0
South Dakota	15	4.2	3.9	0.3
Iowa	16	4.3	4.5	-0.2
Minnesota	16	4.3	4.0	0.3
North Dakota	16	4.3	4.8	-0.5
Wisconsin	19	4.4	4.3	0.1
Pennsylvania	20	4.5	5.1	-0.6
Utah	21	4.6	4.9	-0.3
Indiana	22	4.7	5.3	-0.6
South Carolina	22	4.7	4.5	0.2
Nevada	24	5.0	5.2	-0.2
California	25	5.1	5.3	-0.2
Idaho	25	5.1	5.8	-0.7
New York	25	5.1	4.2	0.9
Tennessee	25	5.1	5.8	-0.7
Arizona	29	5.2	6.3	-1.1
Georgia	30	5.5	5.8	-0.3
Missouri	30	5.5	5.7	-0.2
Ohio	30	5.5	6.0	-0.5
Florida	33	5.6	5.0	0.6
Oklahoma	33	5.6	6.7	-1.1
Oregon	**35**	**5.7**	**5.8**	**-0.1**
Colorado	36	5.8	6.4	-0.6
Montana	37	5.9	6.8	-0.9
Illinois	38	6.0	6.8	-0.8
Kentucky	39	6.2	7.9	-1.7
Washington	39	6.2	6.2	0.0
Wyoming	41	6.3	6.3	0.0
Alaska	42	6.7	9.3	-2.6
New Mexico	42	6.7	7.8	-1.1
Texas	42	6.7	7.3	-0.6
Alabama	45	7.0	7.2	-0.2
Michigan	46	7.1	7.6	-0.5
Arkansas	47	7.2	7.7	-0.5
Mississippi	48	7.8	8.4	-0.6
Louisiana	49	7.9	10.9	-3.0
West Virginia	50	8.6	9.9	-1.3

BASIC SKILLS FOR TOMORROW'S WORKFORCE

Marv Himmel

When a cross section of employers in Oregon were recently asked what they would be looking for in prospective employees over the next ten years, a number of consistent themes emerged that cut across industry lines. Of course, each industry will be continuing to look for individuals with appropriate technical skills, but a common theme for all of them was an emphasis on quality work through basic work skills. Following is a summary of their comments and ideas about workplace skills for the future.

TRAINING AND EDUCATION

Employees can expect to be involved in on-the-job and job-related training on a regular basis throughout their careers. High schools, community colleges, and universities are not able to provide employers with the specialized skills they require, and employers are dealing with this dilemma in two ways. Larger employers are becoming more selective in their hiring decisions, and because they can afford to pay higher salaries they look for people with demonstrated work experience in smaller organizations. This means that many fresh graduates are going to have to spend time developing their skills and building their resumes in smaller organizations before they get a shot at the higher-paying jobs.

Smaller organizations still need the specialized skills and are spending more time developing in-house or cooperative training programs through their associations or in conjunction with local community colleges and universities. Another growing trend is the willingness of industry to assist employees in furthering their education through tuition reimbursement programs that encourage employees to take off-hours classes at local institutions. The age of life-long learning is now upon us by necessity, not convenience.

> ***The age of life-long learning is now upon us by necessity, not convenience.***

MATHEMATICS

Every employer emphasized the importance of front-line production workers having proficient math skills at least through algebra. Some were looking for people with additional training in geometry, trigonometry, and statistics. Computers, robotics, and a concern for quality will continue to make basic math skills a reality in tomorrow's workplace. For example, lathe operators must be able to enter set-up specifications, production data, and quality control information into computers right on the production floor. Every industry interviewed is using some form of statistical process control (SPC) system that requires operators to calculate and enter production data on charts and graphs or into computers. Computerized numerical control (CNC) systems also require production operators to have proficiency in basic mathematics. Employers will train employees in the intricacies of their particular systems, but they don't have the time to teach new employees Algebra I.

> ***The workplace of the future will be an interactive one.***

COMMUNICATION

The demand for individuals with the ability to read, write, and speak effectively will continue to grow. The American workplace is becoming increasingly competitive. Technology is bringing more complexity, and misunderstandings can be expensive. There isn't time to decipher poor writing, interpret vague communications, or explain written directions. People without solid communication skills are going to experience more difficulty in getting jobs, and those that do find work won't be the ones getting promotions.

PEOPLE SKILLS

The workplace of the future will be an interactive one. No longer will a person be able to go to work, close the door behind them, do their job, and go home. Tomorrow's employees will be working as members of task groups, quality improvement teams, and in special problem-solving cadres. Employee success will, in large measure, be determined by their ability to work interdependently with other employees. That means that workers will have to have good group and interpersonal communication skills. Resolving conflicts, group problem-solving, and comfort with negotiating, collaborating, and consensus building can be frustrating to those who don't have these skills.

> ***Virtually every employer interviewed agreed that basic work habits are the single most important skill employees can bring to a job.***

WORK HABITS

Virtually every employer interviewed agreed that basic work habits are the single most important skill employees can bring to a job. An individual with a great resume isn't going to be hired if they have poor work habits. At one high tech manufacturing company, production supervisors feel that if they have someone who has the work ethic, has an aptitude where they want to work in their environment, they can train anybody.

So, what are the basic work habits that concerned these employers?

Punctuality—being to work on time.
Reliability—being to work all the time.
Thoroughness—doing the job completely.
Thoughtfulness—being aware of the impact of one's actions and decisions on the organization.
Maturity—handling personal affairs so they do not interfere with job performance.
Flexibility—adapting well to change.

Does it sound like tomorrow's workplace will be a bleak, demanding, overly critical environment where the slightest mistake will get employees fired? It shouldn't. Even though competition is increasing, new technologies developing, and organizations rapidly changing, employers are discovering the value of happy, healthy employees. They produce more, they last longer, and they work harder. Employers are recognizing the importance of community in the workplace, and the need to support employees in taking calculated risks, being creative, and seeking out new and better ways of doing things. Employees who like to be involved, who thrive on challenge, can handle a steady diet of change, enjoy learning, and take care to see that they have the necessary education and work habits, will fare well in tomorrow's workplace. ☐

CHANGING WORKFORCE IMPACTS EMPLOYERS

Claire Lehnen

(Editor's note: Claire Lehnen is the personnel manager at Siemens Energy and Automation, Inc., an electrical manufacturing firm employing 100 persons in Portland, Oregon.)

As you've probably been aware, in the last year or so Oregon has enjoyed low unemployment rates. In 1989, Oregon's rate averaged 5.7% while the Portland metro area averaged 4.5%. Oregon is enjoying this full employment, yet from an employer's standpoint the flip side of the coin is the difficulty recruiting for job openings.

Siemens Energy and Automation, Inc. is an electrical manufacturing company. We manufacture heavy-duty electrical switchboards and panelboards. There are few other, if any, electrical manufacturers in the Portland area. Realizing this the company is willing to train applicants who have some basic mechanical skills.

Five years ago we were overwhelmed with applications and phone calls from people desperate for a job. Now, we are lucky if we get ten applicants for a job opening. Even though our job order specifies certain requirements, the ten applicants are likely to have minimal, if any, skills.

It is obvious that my company and other employers need to change recruitment attitudes and methods as Workforce 2000 creeps up on us. In previous years, applicants looked for a secure company that they could stay with for the rest of their lives. It was not uncommon for our parents to work for one company their entire working career. Fair pay, job security, and benefits were the most important factors. They could learn to work with others, or work around them if necessary.

Today's workforce wants the same fair pay, job security, and benefits, but more importantly they want to be recognized for their worth and afforded the opportunity for continual advancement. Today's workforce is looking for that ultimate employer that will recognize their value. Unfortunately, this type of employer seems to be fairly elusive if you look at current applicants' work history. Most employment applications contain space for four previous jobs. At age 20 most find this is not enough space.

Today's applicants believe that this does not reflect job-hopping in a negative sense, but rather continuous efforts by them to enhance their skill levels. My concern, however, is that they stay long enough with our company to justify our investment in training them.

As the busy summer season is fast approaching, I'm gearing up again for a big hiring drive. This year, I'll be looking for dislocated workers, including older workers, who are seeking stable and secure employment, but were displaced through a company closure, mass layoff, etc. With the average person living longer and taking better care of their health, older workers are a valuable resource, particularly in today's tight labor market.

I also plan on writing letters to the local high schools and community colleges to recruit youth who are taking classes in the electro/mechanical field, are motivated, and who have a good work ethic.

The Employment Division continues to assist me in our applicant search and in working with schools to educate students on the "real" working environment. Establishing a stronger business-education link is very important.

> ***Businesses must get actively involved before young people enter the workforce, or suffer the consequences.***

Businesses must get actively involved before young people enter the workforce, or suffer the consequences. Once in the workplace, they still need to develop their interpersonal skills, personal management (acceptance of controlling their own destiny), and problem-solving techniques. The educational process does not stop when students get a diploma, but starts all over again in the "school of life."

Yes, employers will need to be more creative when it comes to recruitment. The buck doesn't stop there. Once hired, management must train, educate, and motivate workers to be involved in their company. We must learn to work together and accept the changing workforce. ☐

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OREGON LABOR TRENDS

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INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

May	1990	4.9
Apr	1990	4.8
May	1989	5.6

United States (Seas. Adj.)

May	1990	5.3
Apr	1990	5.4
May	1989	5.2

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977 = 100)

May	1990	133.4
Apr	1990	133.2
Mar	1990	132.9
Feb	1990	132.1
Jan	1990	132.1

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Apr	1990	$11.10
Mar	1990	$11.03
Apr	1989	$10.82

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Apr	1990	40.0
Mar	1990	39.5
Apr	1989	40.3

CONSUMER PRICE INDEX (CPI)

1982-84 = 100
ALL URBAN CONSUMERS

Portland Vancouver

July-Dec. 1989	121.6
Yearly change	4.9%
Annual Average 1989	120.4
Yearly change	5.0%

United States

May 1990	129.2
Yearly change	4.4%
Annual Average 1989	124.0
Yearly change	4.8%

Portland Hotline 326-4132

EMPLOYMENT GROWTH WEAKENS, BUT MOST AREAS PROSPER

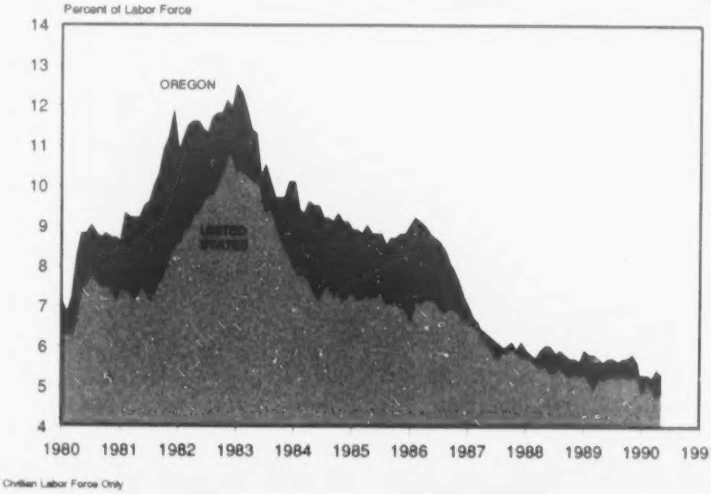
David Cooke

If it were not for the troubles in the lumber & wood products industry, Oregon's economy would be in great shape. That's like someone who suffers from a pollen allergy saying, "If it weren't for this hay fever I'd be thoroughly enjoying this sunny June weather." But even with many mill closures and cutbacks caused by timber supply shortages, higher log costs, and soft markets, the economy as a whole is fairly prosperous.

Unemployment remains low and total employment continues to grow. First, let's consider the unemployment situation. The May seasonally adjusted unemployment rate edged upward to 4.9% from 4.8% in April. The rate continues to run below that of the U.S., which dropped one-tenth to 5.3% in May. The graph below of the Oregon and U.S. unemployment rates shows how unusual it is for Oregon to experience a lower unemployment rate than the U.S. In a period spanning the past ten years, only in the most recent several months has Oregon's economy been more successful than the U.S. economy at providing jobs for those willing and able to work.

The 4.9% May rate puts Oregon at a very low level of unemployment historically. Before this current period of tight labor market conditions, the unemployment rate had not been below 5% since 1969. Indirect evidence of the low unemployment rate is reported by managers of companies in many areas of the state who are having a hard time finding enough qualified workers. Portland, Salem, Bend, and Newport in particular are cities where demand is outstripping supply in many occupations.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



Civilian Labor Force Only

OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	MAY 1/ 1990	APR. 2/ 1990	MAY 1989	CHANGE FROM	
				APR. 1990	MAY 1989
TOTAL 5/	1,251,500	1,237,100	1,205,400	14,400	46,100
WAGE & SALARY EMPLOYMENT INDEX 6/	133.4	133.2	128.4	XXX	XXX
GOODS PRODUCING INDUSTRIES 7/	268,100	264,000	259,600	4,100	8,500
SERVICE PRODUCING INDUSTRIES 8/	983,400	973,100	945,800	10,300	37,600
TOTAL MANUFACTURING	216,600	213,800	212,700	2,800	3,900
DURABLE GOODS	159,100	157,600	157,000	1,500	2,100
LUMBER & WOOD PRODUCTS	65,300	64,500	64,800	800	500
LOGGING	11,100	10,200	11,800	900	- 700
SAWMILLS	21,900	21,800	22,300	100	- 400
VENEER & PLYWOOD	15,100	15,400	14,400	- 300	700
MILLWORK & STRUCTURAL WOOD	11,000	10,900	10,400	100	600
MOBILE HOMES	1,900	1,900	1,800	0	100
OTHER WOOD PRODUCTS	4,300	4,300	4,100	0	200
FURNITURE AND FIXTURES	2,900	2,900	3,000	0	- 100
STONE, CLAY, GLASS & CONCRETE	4,300	4,300	4,300	0	0
PRIMARY METALS	11,400	11,400	10,800	0	600
BLAST FURNACES, IRON & STEEL 9/	5,900	5,900	5,500	0	400
NONFERROUS METALS 9/	5,500	5,500	5,300	0	200
FABRICATED METALS	11,700	11,800	12,500	- 100	- 800
FABRICATED STRUCTURAL METALS	5,100	5,100	5,400	0	- 300
OTHER FABRICATED METALS	6,600	6,700	7,100	- 100	- 500
MACHINERY	17,900	18,000	17,700	- 100	200
OFFICE & COMPUTING MACHINES	4,800	4,800	4,400	0	400
OTHER MACHINERY	13,100	13,200	13,300	- 100	- 200
ELECTRONIC & OTHER ELECTRIC EQUIPMENT 9/	17,100	17,000	15,300	100	1,800
TRANSPORTATION EQUIPMENT	13,100	12,100	12,000	1,000	1,100
INSTRUMENTS & RELATED PRODUCTS 9/	11,700	11,900	12,700	- 200	- 1,000
MISCELLANEOUS MANUFACTURING	3,700	3,700	3,900	0	- 200
NONDURABLE GOODS	57,500	56,200	55,700	1,300	1,800
FOOD & KINDRED PRODUCTS	22,100	21,300	20,700	800	1,400
CANNING & PRESERVING	11,100	10,600	10,100	500	1,000
OTHER FOOD PRODUCTS	11,000	10,700	10,600	300	400
TEXTILE MILL PRODUCTS	1,700	1,700	1,800	0	- 100
APPAREL	2,600	2,600	2,600	0	0
PAPER & ALLIED PRODUCTS	9,000	8,600	9,100	400	- 100
PRINTING & PUBLISHING	14,000	13,900	13,400	100	600
CHEMICALS & ALLIED PRODUCTS	2,300	2,300	2,200	0	100
PETROLEUM & ASPHALT PRODUCTS	500	500	500	0	0
RUBBER & PLASTIC PRODUCTS	4,800	4,800	4,900	0	- 100
LEATHER PRODUCTS	500	500	500	0	0
TOTAL NONMANUFACTURING	1,034,900	1,023,300	992,700	11,600	42,200
MINING & QUARRYING	1,400	1,300	1,400	100	0
CONSTRUCTION	50,100	48,900	45,500	1,200	4,600
BUILDING CONSTRUCTION	12,900	12,900	11,800	0	1,100
HEAVY CONSTRUCTION	6,500	6,100	6,900	400	- 400
SPECIAL TRADE CONTRACTORS	30,700	29,900	26,800	800	3,900
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	64,100	64,000	62,400	100	1,700
TRANSPORTATION	42,600	42,500	41,100	100	1,500
RAILROAD	3,800	3,800	3,900	0	- 100
TRUCKING & WAREHOUSING	24,500	24,400	23,400	100	1,100
OTHER TRANSPORTATION	14,300	14,300	13,800	0	500
COMMUNICATIONS	12,300	12,300	12,400	0	- 100
UTILITIES	9,200	9,200	8,900	0	300
TRADE	319,800	316,200	305,100	3,600	14,700
WHOLESALE TRADE	81,400	80,800	76,700	600	4,700
DURABLE GOODS	47,900	47,500	45,200	400	2,700
MACHINERY, EQUIPMENT, & SUPPLIES	11,300	11,400	10,800	- 100	500
OTHER DURABLE GOODS	36,600	36,100	34,400	500	2,200
NONDURABLE GOODS	33,500	33,300	31,500	200	2,000
GROCERIES & RELATED PRODUCTS	12,100	12,300	11,600	- 200	500
OTHER NONDURABLE GOODS	21,400	21,000	19,900	400	1,500
RETAIL TRADE	238,400	235,400	228,400	3,000	10,000
BUILDING MATERIALS & GARDEN SUPPLIES	9,200	9,000	8,100	200	1,100
GENERAL MERCHANDISE	29,700	29,200	27,700	500	2,000
FOOD STORES	41,300	41,100	39,600	200	1,700
AUTO DEALERS & SERVICE STATIONS	29,200	29,200	29,100	0	100
APPAREL & ACCESSORY STORES	9,900	9,800	9,100	100	800
FURNITURE & HOME FURNISHINGS	9,700	9,700	9,000	0	700
EATING & DRINKING PLACES	85,700	83,800	82,300	1,900	3,400
MISCELLANEOUS RETAIL	23,700	23,600	23,500	100	200
FINANCE, INSURANCE, & REAL ESTATE	76,500	75,500	75,500	1,000	1,000
FINANCE	28,000	28,000	27,800	0	200
INSURANCE	22,400	22,100	22,300	300	100
REAL ESTATE	26,100	25,400	25,400	700	700
SERVICES	292,500	290,700	280,800	1,800	11,700
HOTELS & OTHER LODGING PLACES	19,900	19,100	18,400	800	1,500
PERSONAL SERVICES	10,700	10,800	11,000	- 100	- 300
BUSINESS SERVICES	48,600	47,600	47,300	1,000	1,300
AUTOMOTIVE & MISC. REPAIR SERVICES	15,600	15,500	15,200	100	400
MOTION PICTURES & AMUSEMENTS	14,400	15,300	14,500	- 900	- 100
HEALTH SERVICES	86,000	85,400	81,200	600	4,800
LEGAL SERVICES	8,600	8,700	8,700	- 100	- 100
PRIVATE EDUCATION	15,000	15,300	15,100	- 300	- 100
SOCIAL SERVICES	26,400	26,200	24,300	200	2,100
ENGINEERING & MANAGEMENT SERVICES	19,600	19,500	19,000	100	600
OTHER SERVICES & NEC	27,700	27,300	26,100	400	1,600
GOVERNMENT	230,500	226,700	222,000	3,800	8,500
FEDERAL GOVERNMENT	36,200	34,300	32,100	1,900	4,100
STATE GOVERNMENT	60,700	60,700	60,500	0	200
EDUCATION	26,000	26,000	25,700	0	300
OTHER STATE	34,700	34,700	34,800	0	- 100
LOCAL GOVERNMENT	133,600	131,700	129,400	1,900	4,200
EDUCATION	84,900	83,800	82,400	1,100	2,500
OTHER LOCAL	48,700	47,900	47,000	800	1,700
LABOR-MANAGEMENT DISPUTES 10/	500	900	3,600	- 400	- 3,100

OREGON RESIDENT LABOR FORCE (BY PLACE OF RESIDENCE)

	MAY 1/ 1990	APR.2/ 1990	MAY 1989	CHANGE FROM APR. 1990	CHANGE FROM MAY 1989
CIVILIAN LABOR FORCE 3/	1,484,800	1,450,900	1,472,000	33,900	12,800
UNEMPLOYMENT	71,000	71,600	80,900	- 600	- 9,900
PERCENT OF LABOR FORCE	4.8	4.9	5.5	XXX	XXX
SEASONALLY ADJUSTED PERCENT	4.9	4.8	5.6	XXX	XXX
TOTAL EMPLOYMENT 4/	1,413,800	1,379,300	1,391,100	34,500	22,700

1/ Preliminary
2/ Revised
3/ Includes employed and unemployed individuals 16 years and older, adjusted for multiple job-holding and commuting.
4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.
5/ Includes full- and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: These data are estimated in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration. All data are based on the 1987 Standard Industrial Classification (SIC) codes.
6/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of 0.8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).
7/ Goods producing industries include manufacturing, mining, and construction.
8/ Service producing industries include transportation, communications, and utilities; trade; finance, insurance, and real estate; services; and government.
9/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.
10/ Employees involved in labor disputes are not included in wage and salary employment counts.

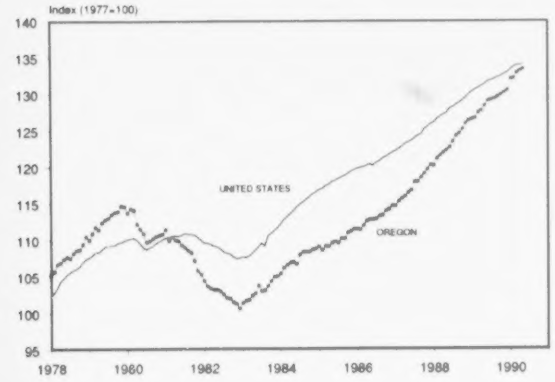
Direct evidence of the low rate comes from a count of the number of unemployment insurance weeks claimed. This count is tallied each week by the Employment Division and is a good indicator of the trend in the number of people who are unemployed in Oregon. The trend of the average number of "weeks claimed" for May since 1984 shows some striking characteristics. In May of this year, the figure was roughly 32,000 claims per week, which is barely above the levels of the last two years, but is 20 to 30 percent below comparable levels of 1984 through 1986. The low number of weeks claimed means that fewer people are out of work now as compared to the mid-1980s.

On the employment side of the labor market equation, job levels in most sectors continue to grow, but at a slower rate than in the past few years. Total nonagricultural wage & salary employment (the most accurate measure of month-to-month changes in employment) rose by 14,400 to a level of 1,251,500 in May. It should come as no surprise that this is the highest level ever, as the growing economy hasn't looked back since pulling itself out of the recessionary trough of the early 1980s.

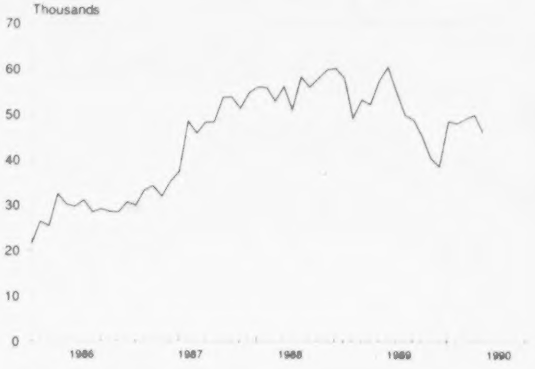
Although the economy continues to add jobs, growth has been slowing. Perhaps the best measure of growth in employment is the year-ago comparison. With this comparison, changes due to seasonal variations such as log harvesting, food processing, and tourism do not have to be considered because presumably the seasonal swings in employment will occur each year during the same months. The year-ago comparisons of annual average wage & salary employment throughout the 1980s show declines in the first three years: 1980 (−1.1%), 1981 (−2.5%), and 1982 (−5.7%). Then for the next four years employment grew by an average of 2.5% per year. This brings us to the most recent three years, where employment growth was quite rapid: 1987 (+3.9%), 1988 (+5[illegible]%), and 1989 (+4.4%). During these last few years, Oregon was experiencing some of the fastest employment growth rates of any state in the U.S.

These were fairly rapid growth rates. Think of it: at a five percent annual growth rate, for every 20 jobs in the state, one additional job was created per year; for every thousand jobs, 50 were created each year.

NONFARM WAGE & SALARY EMPLOYMENT INDEXES
(SEASONALLY ADJUSTED)



NONAG WAGE & SALARY EMPLOYMENT GROWTH
OVER-THE-YEAR CHANGES



How long could the state keep up with this rapid rate of growth? Apparently, not indefinitely. The growth over the last several months has shown some signs of cooling off. To get a clearer picture of the recent rate of growth, note the year-to-year percent change for total wage & salary employment for the January through May period after adjusting for strikes and the temporary employment of census workers. These figures for year-ago growth are as follows: January (+3.9%), February (+3.8%), March (+3.8%), April (+3.7%), and May (+3.4%). The rate of employment growth peaked during 1988, but as these figures show the growth has slowed since then and particularly so in the last few months.

. . .two-thirds of Oregon's job growth in May came from temporary hiring for the U.S. census.

The general trend of weakening employment growth in May was made up of many separate and varying industrial trends. After adjusting for normal seasonal trends, two-thirds of Oregon's job growth in May came from temporary hiring for the U.S. Census. Federal government employment has soared to 36,200 in Oregon, with roughly 4,000 census workers now on the payrolls.

A second source of new jobs was in the transportation equipment manufacturing industry, where 900 additional ship repair workers were hired for new contracts. This employment increase dwarfed employment changes in all other sectors of other durable goods manufacturing. Instruments & related products (11,700 down 200) suffered from layoffs at Tektronix. Unfortunately, Tektronix has announced further cutbacks of approximately 1,000 which will continue the employment decline in this industry.

Paper and allied products employment grew by 400 in May, as a major labor dispute was resolved and workers returned to their jobs.

Lumber and wood products, which was discussed extensively in last month's **Labor Trends**, increased employment in May by only 800. An increase due to normal seasonal factors would have resulted in a 1,600 increase. The industry is highly seasonal, with peak employment levels occurring in July, August, and September. Employment in recent years during the summer has been roughly 5,400 greater than the lowest employment levels of February and March. May is typically a few hundred below the annual average for the year. After adjusting for labor disputes, the May 1990 lumber & wood products total is 2,800 below May 1989, and 3,200 below May 1988.

In May, logging experienced a typical increase of 900, but is still below all May levels since 1983. Several layoffs, and rehirings after layoffs, combined to produce a 100 job increase in sawmills & planing mills (21,900 up 100). But in veneer & plywood (15,100 down 300) there were no rehirings to offset three closures. Millwork (11,000 up 100) and mobile homes (1,900 unchanged) are the two sectors of lumber & wood which have been showing consistent gains. Mobile homes employment has not been higher in any month since September 1981.

While lumber and wood products is showing weakening employment trends, food and kindred products is having a solid year. Employment here (22,100 up 800) is at its highest May level in history. Interestingly, one must look far back in Oregon's history to make sure that this May was the highest employment level ever. Ten years ago employment stood at 20,900; twenty years ago 19,800; thirty years ago 17,700; and forty years ago 16,300. In 1950, employment in food and kindred products was still three-fourths as large as it is today, although the state's population has nearly doubled since 1950.

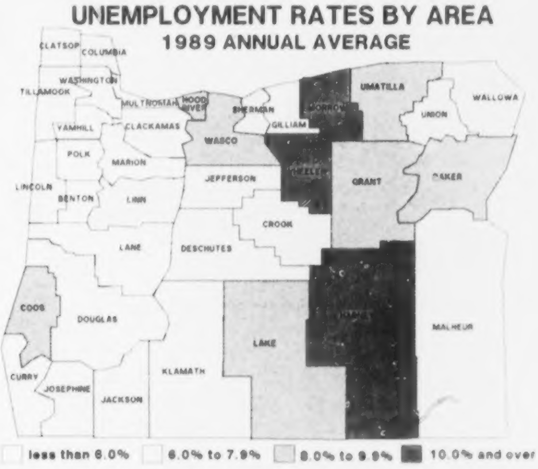
Other industries registering job growth in May included construction and services. Construction employment grew by 1,200 to reach 50,100, a 10% increase over last May. Services employment added 1,800 in May, well above normal seasonal expectations. Most new jobs came in business services (up 1,000), hotels and other lodging places (up 800), and health services (up 600).

In transportation, communication, and utilities, the major employment news for the month was the early retirement incentives being offered by a couple of large companies in communications and utilities. These incentives were a small part of the reason for the seasonally adjusted drop of 300 in this industry sector.

Trade increased by 3,600 over the month, right in line with seasonal expectations. Two industries within trade showed notable trends. Wholesale lumber & construction material (6,400 up 300) continued its strong year. Retail food stores (41,300 up 200) may be cooling off after the hot pace set during the past two years; employment grew less than the typical 800 increase for May.

Nearly every sector of finance, insurance, and real estate contributed to the 1,000 employment gain. The exception was banking (20,700 unchanged) which has held employment levels nearly constant for over five years.

Services stuttered in April with a seasonally adjusted gain of only 200, but came back in May with a seasonally adjusted gain of 1,800, close to what we have come to expect. Part of the reason was hotels & other lodging places (19,900 up 800) which has grown at an 8% rate over last year. Computer and data processing services (7,600 up 100) continued to expand as it has since its inception. Another industry which has shown and is projected to show strong growth, nursing homes & personal care (15,300 up 200), added employment in May. Amusements & recreational services (10,500 down 900) was one of the few industries showing a decline over the month; the end of the ski season was largely to blame.



UNEMPLOYMENT RATES BY AREA

1989 ANNUAL AVERAGE

UNEMPLOYMENT RATES BY AREA

	1989 Rank	1989	1988	1988-89 Change
United States		5.3	5.5	-0.2
Oregon		5.7	5.8	-0.1
Benton	1	3.5	3.6	-0.1
Gilliam	2	4.2	5.6	-1.4
Portland PMSA 1/	3	4.5	4.7	-0.2
Eugene MSA 2/	4	5.6	5.6	0
Salem MSA 3/	5	5.9	5.9	0
Jefferson	6	6.0	6.3	-0.3
Lincoln	6	6.0	6.2	-0.2
Clatsop	8	6.4	5.8	0.6
Curry	8	6.4	5.9	0.5
Deschutes	10	6.7	7.5	-0.8
Medford MSA 4/	11	6.8	6.6	0.2
Tillamook	11	6.8	7.1	-0.3
Crook	13	7.0	7.2	-0.2
Columbia	14	7.2	7.6	-0.4
Malheur	15	7.3	7.1	0.2
Linn	16	7.5	7.9	-0.4
Union	16	7.5	7.8	-0.3
Wallowa	16	7.5	9.5	-2.0
Josephine	19	7.7	7.1	0.6
Douglas	20	7.8	7.7	0.1
Klamath	20	7.8	8.5	-0.7
Sherman	20	7.8	9.0	-1.2
Hood River	23	8.0	8.6	-0.6
Baker	24	8.1	8.6	-0.5
Wasco	25	8.4	7.9	0.5
Grant	26	8.7	9.4	-0.7
Lake	27	9.2	8.6	0.6
Umatilla	28	9.7	8.7	1.0
Coos	29	9.8	9.2	0.6
Wheeler	30	10.0	11.5	-1.5
Harney	31	10.9	7.7	3.2
Morrow	32	11.5	11.6	-0.1

1/ Clackamas, Multnomah, Washington & Yamhill counties
2/ Lane County
3/ Marion & Polk counties
4/ Jackson County

Regional Economists

The industry categories just discussed are of course aggregates for the entire state of Oregon, but the Research & Statistics section of the Employment Division also collects, compiles, and disseminates economic information for each county in the state. County unemployment rates are important examples of this economic information. A map of the state, shaded to show different 1989 unemployment levels, accompanies this article. The map clearly shows that all counties in the Willamette Valley except Linn County had an unemployment rate in 1989 of less than 6.0%, while nearly every other county had an unemployment rate of 6.0% or more.

The county unemployment rates are computed each month by eight Regional Economists who work throughout the state. These individuals, whose primary responsibility is to provide labor market and related economic information, work out of Employment Division local offices in Salem, Eugene, Medford, Klamath Falls, Pendleton, La Grande, and Portland. The list of people and organizations who make use of the information provided by these Regional Economists includes businesses, news organizations, the general public, area colleges and other schools, vocational counselors, students, Chambers of Commerce, Job Training Partnership Act and Private Industry Council personnel, legislators, and other state and local government agencies.

This month, I asked the Regional Economists about the economic highlights in their regions. There were several common themes which affected many of the areas of the state.

Lumber & Wood Products

First, without exception, every economist expressed concern over the lumber and wood products industry. The log supply constraints and sudden changes in the industry are producing major economic effects in many of Oregon's counties. Since April, significant lumber mill closures have been announced in every county west of the Cascades between Marion County in the Willamette Valley and Jackson County on the California border.

Ken Rocco, the unpredictable Regional Economist in Eugene, said "Lane County is 'sucking air' in lumber and wood products, and has experienced more than its share of closures lately." He went on to say that due to worries about log supply and softening demand, permanent shutdowns and long-term layoffs have reduced wood products employment levels by about 1,000 in the county over the year. The lumber and wood products situation is particularly important for two of his counties, Douglas and Lane, both of which employ more lumber workers than probably any other county in the U.S.

The economist in South-Central Oregon, Mike Mahan, said that the economy in Klamath County did not have a very bright outlook due to the probability of declining timber harvests, and the resultant layoff at one of the major employers in the area.

Tight Labor Market

A second concern voiced by several of the economists was the tight labor market in their area. The jovial John Stone of the Portland area mentioned the tight labor market as the most outstanding condition in his area. He didn't hesitate to remind me that the Portland metropolitan area (which includes Washington, Multnomah, Clackamas, and Yamhill counties) contains nearly half of the state's employment, and therefore much of the state's economy. He mentioned that it is still hard for companies to find good applicants for many jobs, and that most qualified workers who want to work are already employed.

John Stone also cited the decline in the number of job orders received by the local offices of the Employment Division as an indication of softening demand for workers. He said the level of job orders is still good, but has shown a slight slackening since the second half of 1989. These job orders are indicative of the demand for workers in blue collar, service, and clerical occupations.

Ken Rocco in Eugene mentioned that the wage increases in his area hadn't been rising as fast as the increasing demand for workers would lead him to expect. He related how many tourism-related businesses such as hotels and restaurants were having trouble recruiting enough help for the summer. Some employers on the central Oregon coast were even making special arrangements for housing for their workers.

> ***A sign of the tight labor market is the low unemployment rates which most of the economists mentioned as a key indicator in their areas.***

Unusually Low Unemployment Rates

A sign of the tight labor market is the low unemployment rates which most of the economists mentioned as a key indicator in their areas. Jason Yohannan, the Eastern Oregon Regional Economist, made special note of how each of his counties was experiencing lower rates this year compared with last year. In Union and Wallowa counties nonfarm payroll employment has reached new highs each month this year when compared with the same month in previous years. But more often than not, these have been the conditions of Eastern Oregon this year: slower employment growth and lower per capita income than the rest of the state. He summed up the situation in his area by saying that these counties have done fairly well in the last couple of years.

Economic Diversification Helps Counties

Several economists mentioned that economic diversification was benefiting their counties. One example cited was Douglas County. Ken Rocco stated that despite the recent spate of mill closures in this county, the economy was doing remarkably well. The county had exceeded national employment growth rates in recent years. And almost every industry has been recording record high employment levels. More activity in non-food and non-lumber manufacturing were keys to this success according to Rocco. He mentioned Douglas County as a good case for diversification and its contribution to economic stability. But he did express some reservations as to how the economy would stand up while lumber employment continues to go down, since much of the economy is still closely tied to the lumber industry.

Al Stoebig, the Regional Economist for the North Coast, also felt that the economy in his area "will weather the transition" of changes in the lumber industry perhaps better than other rural areas in Oregon. Reasons cited included a relatively diversified coastal economy, less severe timber supply cutbacks, and growth in tourism and the population of retired persons. More importance will be borne by the industries associated with tourism, paper production, seafood processing, and dairy. Dislocations in the timber industry, however, will be felt disproportionately by some communities and families.

Those readers who would like more information on economic or labor market conditions for specific local areas in Oregon are encouraged to contact the appropriate Regional Economist, their local office of the Employment Division, or the Research and Statistics Central Office in Salem (phone: (503) 378-8657). □

STATE OF OREGON UNEMPLOYMENT RATES BY AREA

May 1990

	Civilian Labor Force	Total Employment	Unemployment	Rate[1]
State of Oregon	1,484,800	1,413,800	71,000	4.8
Eugene MSA[2]	151,100	143,500	7,600	5.0
Medford MSA[3]	72,060	67,820	4,240	5.9
Portland PMSA[4]	680,900	655,200	25,700	3.8
Salem MSA[5]	137,000	130,100	6,900	5.0
Baker	6,920	6,400	520	7.5
Benton	38,590	37,450	1,140	3.0
Clatsop	18,740	17,800	940	5.0
Columbia	17,930	16,910	1,020	5.7
Coos	27,660	25,810	1,850	6.7
Crook	7,180	6,720	460	6.4
Curry	9,930	9,500	430	4.3
Deschutes	40,620	38,570	2,050	5.0
Douglas	46,810	43,920	2,890	6.2
Gilliam	1,040	1,010	30	2.9
Grant	4,360	3,960	400	9.2
Harney	4,270	3,860	410	9.6
Hood River	9,190	8,280	910	9.9
Jefferson	7,320	6,950	370	5.1
Josephine	27,230	25,500	1,730	6.4
Klamath	26,350	24,300	2,050	7.8
Lake	4,040	3,630	410	10.1
Lincoln	19,980	19,050	930	4.7
Linn	43,860	40,590	3,270	7.5
Malheur	13,530	12,980	550	4.1
Morrow	3,950	3,710	240	601
Sherman	830	790	40	4.8
Tillamook	9,600	9,160	440	4.6
Umatilla	28,550	26,830	1,720	6.0
Union	11,630	10,830	800	6.9
Wallowa	3,820	3,460	360	9.4
Wasco	9,410	8,740	670	7.1
Wheeler	600	530	70	11.7

[1] *Not Seasonally Adjusted*

[2] *Lane County*

[3] *Jackson County*

[4] *Clackamas, Multnomah, Washington, Yamhill counties*

[5] *Marion and Polk counties*

EMPLOYERS' CORNER

Pat Adams

(Editor's note: Pat Adams is the manager of Western Temporary Services in Eugene, Oregon.)

According to an article in the September 1989 issue of **Oregon Labor Trends**, "...employment in the temporary services industry has grown over five-fold since 1983." A recent article in *The Wall Street Journal* states that most new jobs in the 1990s will be in the services sector. One service expected to flourish in the 1990s is that of providing people to help other people, namely the personnel business. One out of 20 new workers this decade will be either temporary workers or employees of temporary help or other personnel agencies. The accompanying graph was furnished to us by the Oregon Employment Division, Research and Statistics Office. It shows the increase in temporary employment in Oregon over the last ten years.

> ***Temporary employment has evolved and changed a great deal over the last five years.***

Temporary employment has evolved and changed a great deal over the last five years. People of all skill levels are now interested in working temporary jobs for many reasons: students wanting part-time work; people relocating to a new area; changing jobs or careers; people looking for a permanent job. These temporary workers have become a valuable asset to businesses. Many companies have discovered temporary staff provide excellent resources to get rush projects completed without disrupting the permanent staff as well as filling in for vacationing or sick employees, or those on maternity leave.

Some temporary services offer a "Temp-to-Perm" program that allows companies to try a temporary employee

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Apr.[2] 1990	Mar.[3] 1990	Apr. 1989	Apr.[2] 1990	Mar.[3] 1990	Apr. 1989	Apr.[2] 1990	Mar.[3] 1990	Apr. 1989
TOTAL MANUFACTURING[4]	$444.00	$435.69	$436.05	40.0	39.5	40.3	$11.10	$11.03	$10.82
Durable Goods	456.14	440.59	445.40	40.8	39.8	40.9	11.18	11.07	10.89
Lumber & Wood Products	454.69	438.29	451.28	41.0	39.7	41.1	11.09	11.04	10.98
Logging & Sawmills	479.89	462.56	488.38	40.6	39.2	40.8	11.82	11.80	11.97
Veneer & Plywood	457.87	441.86	455.14	41.7	40.8	43.1	10.98	10.83	10.56
Millwork & Structural	393.71	381.24	362.10	41.4	40.3	40.1	9.51	9.46	9.03
Mobile Homes	354.72	350.04	307.02	37.3	36.5	35.7	9.51	9.59	8.60
Other Wood Products	447.28	424.91	434.28	41.3	39.6	42.0	10.83	10.73	10.34
Furniture & Fixtures	354.66	349.67	304.09	34.5	36.5	35.4	10.28	9.58	8.59
Primary Metals	514.49	508.80	508.39	40.8	40.9	41.4	12.61	12.44	12.28
Fabricated Metals	408.20	421.08	398.58	39.1	39.8	39.0	10.44	10.58	10.22
Machinery (Ex Electrical)	445.21	452.35	464.96	40.4	40.9	41.7	11.02	11.06	11.15
Nondurable Goods	409.05	420.42	409.55	37.7	38.5	38.6	10.85	10.92	10.61
Food & Kindred Products	339.27	342.52	336.90	35.6	36.4	36.9	9.53	9.41	9.13
Canning & Preserving	277.22	291.10	279.84	33.4	35.2	35.2	8.30	8.27	7.95
Other Food Products	420.48	412.62	416.70	38.4	38.1	39.2	10.95	10.83	10.63
Textile Mill Products	255.24	244.60	244.64	36.0	32.7	34.7	7.09	7.48	7.05
Apparel	274.22	269.40	256.03	39.4	39.1	38.5	6.96	6.89	6.65
Paper & Allied Products	633.98	638.39	667.78	40.1	41.4	44.4	15.81	15.42	15.04
Printing & Publishing	432.75	492.77	423.24	37.5	39.9	36.9	11.54	12.35	11.47
Construction[4]	593.22	570.84	579.43	38.1	36.9	38.5	15.57	15.47	15.05
Communications & Utilities[5]	576.44	532.67	571.72	41.5	39.9	42.1	13.89	13.35	13.58
Trade[5]	338.44	321.39	327.01	35.7	34.3	35.2	9.48	9.37	9.29
Wholesale Trade	456.00	421.80	432.12	40.0	38.0	39.0	11.40	11.10	11.08
Retail Trade	278.05	269.24	271.09	33.5	32.4	33.1	8.30	8.31	8.19
Banking & Insurance[5]	371.51	361.45	360.84	38.3	36.4	38.8	9.70	9.93	9.30
State & Local Government	401.58	399.14	384.13						

[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

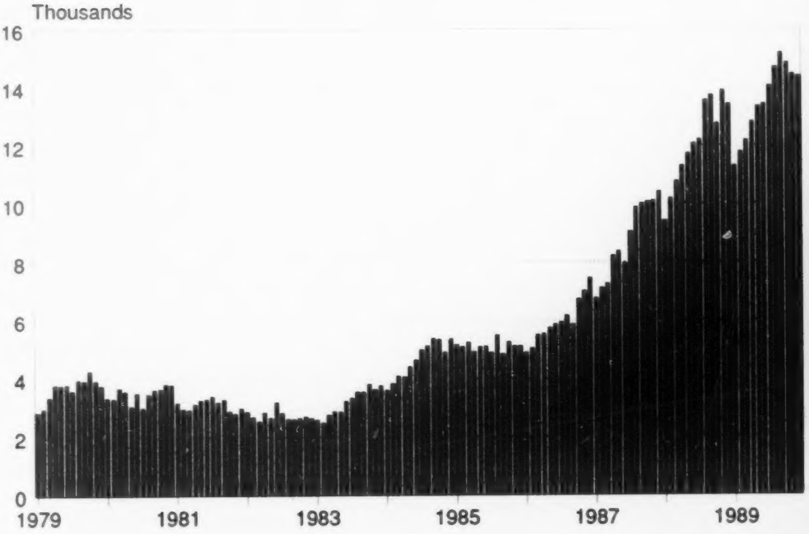
[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

before hiring them on a permanent basis. This also works well for someone looking for a permanent job. Many companies are now using temporary services as their human resources department. They no longer have to recruit, screen, and interview. It takes the risk out of hiring when you have the opportunity to evaluate the candidate while on the job! The "Temp-to-Perm" program allows the temporary employee the option of trying out several different companies and industries before accepting a permanent job.

Today the temporary service industry ranks as one of the nation's largest and continues to be one of the fastest growing.

Temporary Help Supply Employment
Oregon, Jan 1979 - Dec 1989



In addition, many temporary agencies do not charge a fee and offer other benefits in addition to "on the job" experience at many locations. Benefits vary from company to company, but may include vacation pay, holiday pay, dependent care reimbursement, medical and hospital insurance, employee training, and much more.

Exceptional customer service should always be the uppermost concern of the temporary service chosen. The best will offer a guarantee of their service and are willing to work up a profile on each customer to provide important information on supplying the "perfect fit" when sending out a temporary employee. Today the temporary service industry ranks as one of the nation's largest and continues to be one of the fastest growing. Within the temporary industry, a growing emphasis is being placed on providing great service -- often talked about but seldom consistently delivered. As the industry continues to grow, service will be the determining factor between the temporary service firms that achieve long-term success and those that do not. ☐

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JULY 1990

OREGON LABOR TRENDS

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INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas Adj)

June	1990	5.3
May	1990	4.8
June	1989	5.7

United States (Seas Adj)

June	1990	5.2
May	1990	5.3
June	1989	5.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977 = 100)

June	1990	132.7
May	1990	133.5
Apr.	1990	133.2
Mar.	1990	132.9
Feb.	1990	132.1

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

May	1990	$11.11
Apr.	1990	$11.10
May	1989	$10.81

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

May	1990	39.8
Apr.	1990	40.1
May	1989	39.5

CONSUMER PRICE INDEX (CPI)

1982-84 = 100

ALL URBAN CONSUMERS

Portland-Vancouver

July-Dec. 1989	121.6
Yearly change	4.9%
Annual Average 1989	120.4
Yearly change	5.0%

United States

June 1990	129.9
Yearly change	4.7%
Annual Average 1989	124.0
Yearly change	4.8%

Portland Hotline 326-4132

RED FLAGS RISING?

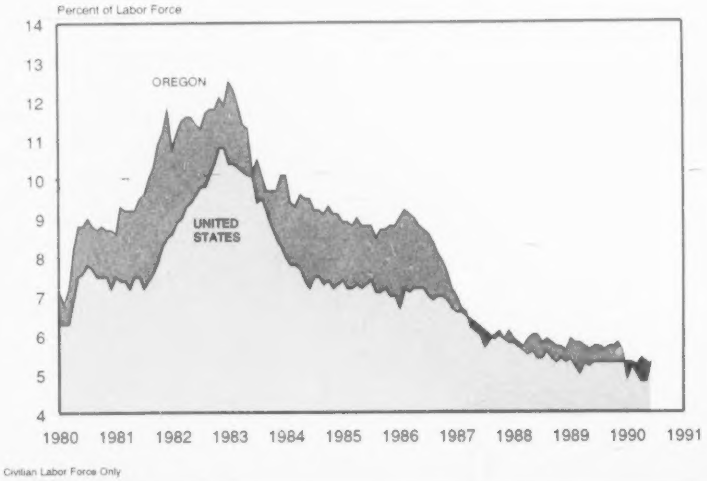
Jeff Hannum

Oregon's high-flying economy hit some wind shear in June as two key labor market indicators took abrupt turns for the worse. The state's seasonally adjusted unemployment rate, which has been relatively stable so far this year, jumped by half a percentage point to 5.3% in June from May's revised 4.8%. The last time Oregon's unemployment rate increased by this much in one month was at the depths of the last recession in January 1983 when the jobless rate rose six-tenths to 12.5%.

But monthly gyrations in the state's unemployment rate can be misleading. A more reliable indicator is the nonfarm wage and salary employment index. This seasonally adjusted measure of nonfarm job trends, which is based on a monthly survey of about 6,500 Oregon employers, also appeared to raise a red flag in June by plunging eight-tenths of a point to 132.7! In addition to this being a large drop, it was also the first time in two and a half years that the employment index has declined.

Are these indicators signaling an end to Oregon's record long economic expansion? The answer is probably not, though overall growth is slowing and the state's most important basic industry, forest products, is increasingly caught between a reduced supply of available timber, higher costs, and weaker markets for finished wood products. (For an in-depth analysis of the timber supply issue and potential economic impacts of several spotted owl conservation scenarios, be sure to read the following article entitled "Timber Famine in the Nation's Wood Basket?")

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	JUN.1/ 1990	MAY 2/ 1990	JUN. 1989	CHANGE FROM	
				MAY 1990	JUN. 1989
TOTAL 5/	1,261,400	1,252,600	1,227,400	8,800	34,000
WAGE & SALARY EMPLOYMENT INDEX 6/	132.7	133.5	129.1	XXX	XXX
GOODS PRODUCING INDUSTRIES 7/	273,300	267,900	270,400	5,400	2,900
SERVICE PRODUCING INDUSTRIES 8/	988,100	984,700	957,000	3,400	31,100
TOTAL MANUFACTURING	221,600	216,400	221,600	5,200	0
DURABLE GOODS	160,200	159,100	162,300	1,100	- 2,100
LUMBER & WOOD PRODUCTS	66,000	65,000	69,600	1,000	- 3,600
LOGGING	11,600	11,000	12,700	600	- 1,100
SAWMILLS	21,600	21,800	23,600	- 200	- 2,000
VENEER & PLYWOOD	15,100	15,000	16,400	100	- 1,300
MILLWORK & STRUCTURAL WOOD	11,300	11,000	10,700	300	600
MOBILE HOMES	2,000	1,900	1,800	100	200
OTHER WOOD PRODUCTS	4,400	4,300	4,400	100	0
FURNITURE AND FIXTURES	3,000	3,000	3,000	0	0
STONE, CLAY, GLASS & CONCRETE	4,400	4,300	4,400	100	0
PRIMARY METALS	11,400	11,400	11,000	0	400
BLAST FURNACES, IRON & STEEL 9/	5,900	5,900	5,600	0	300
NONFERROUS METALS 9/	5,500	5,500	5,400	0	100
FABRICATED METALS	11,900	11,800	12,400	100	- 500
FABRICATED STRUCTURAL METALS	5,200	5,100	5,200	100	0
OTHER FABRICATED METALS	6,700	6,700	7,200	0	- 500
MACHINERY	18,000	17,900	17,800	100	200
OFFICE & COMPUTING MACHINES	4,900	4,800	4,500	100	400
OTHER MACHINERY	13,100	13,100	13,300	0	- 200
ELECTRONIC & OTHER ELECTRIC EQUIPMENT 9/	17,100	17,100	15,500	0	1,600
TRANSPORTATION EQUIPMENT	12,800	13,100	11,900	- 300	900
INSTRUMENTS & RELATED PRODUCTS 9/	11,600	11,700	12,700	- 100	- 1,100
MISCELLANEOUS MANUFACTURING	4,000	3,800	4,000	200	0
NONDURABLE GOODS	61,400	57,300	59,300	4,100	2,100
FOOD & KINDRED PRODUCTS	25,800	22,000	23,700	3,800	2,100
CANNING & PRESERVING	14,600	11,000	12,900	3,600	1,700
OTHER FOOD PRODUCTS	11,200	11,000	10,800	200	400
TEXTILE MILL PRODUCTS	1,700	1,700	1,800	0	- 100
APPAREL	2,600	2,600	2,700	0	- 100
PAPER & ALLIED PRODUCTS	9,200	9,000	9,300	200	- 100
PRINTING & PUBLISHING	14,000	13,900	13,600	100	400
CHEMICALS & ALLIED PRODUCTS	2,300	2,300	2,300	0	0
PETROLEUM & ASPHALT PRODUCTS	500	500	500	0	0
RUBBER & PLASTIC PRODUCTS	4,800	4,800	5,000	0	- 200
LEATHER PRODUCTS	500	500	400	0	100
TOTAL NONMANUFACTURING	1,039,800	1,036,200	1,005,800	3,600	34,000
MINING & QUARRYING	1,400	1,400	1,500	0	- 100
CONSTRUCTION	50,300	50,100	47,300	200	3,000
BUILDING CONSTRUCTION	13,000	13,100	11,800	- 100	1,200
HEAVY CONSTRUCTION	6,500	6,500	7,400	0	- 900
SPECIAL TRADE CONTRACTORS	30,800	30,500	28,100	300	2,700
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	64,700	64,400	63,200	300	1,500
TRANSPORTATION	42,900	42,800	41,700	100	1,200
RAILROAD	3,800	3,800	3,900	0	- 100
TRUCKING & WAREHOUSING	24,800	24,600	24,000	200	800
OTHER TRANSPORTATION	14,300	14,400	13,800	- 100	500
COMMUNICATIONS	12,400	12,400	12,500	0	- 100
UTILITIES	9,400	9,200	9,000	200	400
TRADE	322,300	319,000	311,000	3,300	11,300
WHOLESALE TRADE	81,300	80,700	78,000	600	3,300
DURABLE GOODS	48,300	47,600	46,000	700	2,300
MACHINERY, EQUIPMENT, & SUPPLIES	11,300	11,300	11,000	0	300
OTHER DURABLE GOODS	37,000	36,300	35,000	700	2,000
NONDURABLE GOODS	33,000	33,100	32,000	- 100	1,000
GROCERIES & RELATED PRODUCTS	11,900	11,800	11,700	100	200
OTHER NONDURABLE GOODS	21,100	21,300	20,300	- 200	800
RETAIL TRADE	241,000	238,300	233,000	2,700	8,000
BUILDING MATERIALS & GARDEN SUPPLIES	9,500	9,200	8,400	300	1,100
GENERAL MERCHANDISE	29,200	29,400	28,200	- 200	1,000
FOOD STORES	42,200	41,500	40,000	700	2,200
AUTO DEALERS & SERVICE STATIONS	29,400	29,400	29,300	0	100
APPAREL & ACCESSORY STORES	10,200	9,900	9,700	300	500
FURNITURE & HOME FURNISHINGS	9,700	9,600	9,100	100	600
EATING & DRINKING PLACES	87,900	85,700	84,700	2,200	3,200
MISCELLANEOUS RETAIL	22,900	23,600	23,600	- 700	- 700
FINANCE, INSURANCE, & REAL ESTATE	77,700	76,600	76,500	1,100	1,200
FINANCE	28,100	28,000	28,000	100	100
INSURANCE	22,500	22,400	22,500	100	0
REAL ESTATE	27,100	26,200	26,000	900	1,100
SERVICES	292,600	292,500	283,200	100	9,400
HOTELS & OTHER LODGING PLACES	20,600	19,800	19,700	800	900
PERSONAL SERVICES	10,900	10,700	11,000	200	- 100
BUSINESS SERVICES	48,800	48,600	48,100	200	700
AUTOMOTIVE & MISC. REPAIR SERVICES	15,700	15,500	15,400	200	300
MOTION PICTURES & AMUSEMENTS	14,400	14,400	14,600	0	- 200
HEALTH SERVICES	87,000	86,100	82,200	900	4,800
LEGAL SERVICES	8,900	8,700	8,900	200	0
PRIVATE EDUCATION	12,600	15,000	12,500	- 2,400	100
SOCIAL SERVICES	25,600	26,600	24,500	- 1,000	1,100
ENGINEERING & MANAGEMENT SERVICES	20,000	19,400	19,000	600	1,000
OTHER SERVICES & NEC	28,100	27,700	27,300	400	800
GOVERNMENT	230,800	232,200	223,100	- 1,400	7,700
FEDERAL GOVERNMENT	36,300	36,300	33,200	0	3,100
STATE GOVERNMENT	62,400	61,200	61,700	1,200	700
EDUCATION	26,200	26,000	25,800	200	400
OTHER STATE	36,200	35,200	35,900	1,000	300
LOCAL GOVERNMENT	132,100	134,700	128,200	- 2,600	3,900
EDUCATION	82,700	85,100	79,800	- 2,400	2,900
OTHER LOCAL	49,400	49,600	48,400	- 200	1,000
LABOR-MANAGEMENT DISPUTES 10/	400	500	300	- 100	100

OREGON RESIDENT LABOR FORCE (BY PLACE OF RESIDENCE)

	JUN.1/ 1990	MAY 2/ 1990	JUN. 1989	CHANGE FROM MAY 1990	CHANGE FROM JUN. 1989
CIVILIAN LABOR FORCE 3/	1,510,700	1,484,800	1,504,000	25,900	6,700
UNEMPLOYMENT	78,800	70,800	84,300	8,000	- 5,500
PERCENT OF LABOR FORCE	5.2	4.8	5.6	XXX	XXX
SEASONALLY ADJUSTED PERCENT	5.3	4.8	5.7	XXX	XXX
TOTAL EMPLOYMENT 4/	1,431,900	1,414,000	1,419,700	17,900	12,200

1/ Preliminary
2/ Revised
3/ Includes employed and unemployed individuals 16 years and older, adjusted for multiple job-holding and commuting.
4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.
5/ Includes full- and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: These data are estimated in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration. All data are based on the 1987 Standard Industrial Classification (SIC) codes.
6/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of 0.8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).
7/ Goods producing industries include manufacturing, mining, and construction.
8/ Service producing industries include transportation, communications, and utilities; trade; finance, insurance, and real estate; services; and government.
9/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.
10/ Employees involved in labor disputes are not included in wage and salary employment counts.

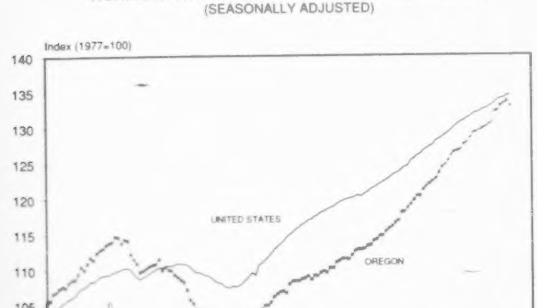
Although the problems facing the state's wood products industry and many timber-dependent communities could eventually tip the state into a recession, especially if the nation's economy weakens further, June's negative indicators are likely to be temporary. They reflect less than expected seasonal expansion in June in nearly every sector of Oregon's economy. The reason for this has more to do with the strength of the economy and mild weather earlier this year than any fundamental weakness in labor demand during June. In other words, many of the workers that would normally have been hired in the summer months were added to payrolls earlier this year.

A case in point is the construction industry which added only 200 workers in June compared with a normal seasonal gain of 1,900. Building activity in Oregon, especially for new single-family homes, has been hot all year. Single-family building permits for the first six months of 1990 were up by 17% over the same period a year ago, while multi-family units were off only slightly from 1989's torrid pace. Construction employment, bolstered in part by continued heavy in-migration to the state, reached 50,300 in June, the highest level since the late 1970s. During the first half of 1990, Oregon's booming construction industry created an average of 300 new jobs each month, after seasonal adjustment. While this is off the 500 a month pace during the first half of 1989, it puts June's small employment gain in better perspective.

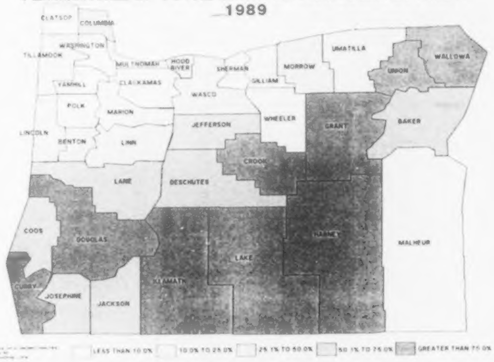
Construction employment . . . reached 50,300 in June, the highest level since the late 1970s.

A similar situation occurred in wholesale and retail trade where new hiring in June fell 1,300 short of seasonal expectations. Most of the 3,300 new jobs came in eating and drinking establishments and food stores as the summer travel/tourism season got underway. As in construction, new job creation during the first half of 1990 was slower than a year ago in both wholesale and retail trade. At the risk of offending the "shop 'til you drop" crowd, one reason for this might be that retail expansion has reached the saturation point in many local areas, at least for now. With the lowest unemployment rates in over 20 years (January through June average was 5.0%) and demographic trends indicating a continued shortage of

NONFARM WAGE & SALARY EMPLOYMENT INDEXES
(SEASONALLY ADJUSTED)



OREGON LUMBER AND WOOD PRODUCTS EMPLOYMENT BY COUNTY
PERCENTAGE OF TOTAL MANUFACTURING EMPLOYMENT
1989



young entry-level workers, it is getting harder to find enough qualified workers at entry-level wages to support further expansion. A partial solution for this dilemma is for current employees to work longer hours, and this appears to have been the case in June. The average work week in retail trade rose to 33.8 hours from 32.8 in May and 33.2 in June 1989.

Another way, of course, to attract more job applicants would be to raise wages and employee benefits but that could be inflationary, if not offset by improved productivity, since labor costs represent about two-thirds of total business costs. A recent Labor Department report indicated that wages, salaries, and other benefits rose 5.2% nationally over the past year despite a weakening economy. Benefit costs alone were up 6.9% led by higher health-care costs. Since employment costs are one of the best indicators of inflationary pressures, this report is not likely to encourage Dr. Greenspan and Company at the Federal Reserve to give the ailing U.S. economy a shot of lower interest rates.

How much longer the current economic expansion will continue depends in large part on improvement in the inflation rate.

Neither is June's inflation report which showed the consumer price index for all urban consumers (U.S. CPI-U) surged by 0.5% in June following increases of only 0.2% in the previous two months. That put the annual inflation rate during the first six months of 1990 at 5.9%, considerably higher than the 4.6% rate during all of 1989. Consumer inflation in the Portland metro area over the first half of 1990 will not be available from the Bureau of Labor Statistics until August 16.

How much longer the current economic expansion will continue depends in large part on improvement in the inflation rate. If it stays in the 5% to 6% range, consumer spending will suffer and the Federal Reserve will be unwilling to stimulate the economy with lower interest rates. Many economists are basing their "no recession" forecasts, however, on lower inflation and Fed easing in the second half of this year to offset weak domestic demand and some combination of federal spending cuts and higher taxes to reduce the budget deficit.

Oregon, and the Pacific Northwest region, continue to be one of the healthiest economic areas in the nation despite June's less than expected hiring trend in most industries. With population growing at nearly twice the national rate this year, many Oregon industries including construction, real estate, services, and trade have continued to prosper although job gains have not been as strong as in the last year or two.

Even in the key manufacturing sector, Oregon's performance has been much better than the nation's. After seasonal adjustment, about 100 new factory jobs were created each month during the first half of 1990. And if we exclude the lumber and wood products industry, about 500 new jobs were added each month mostly in the other durable goods and food products sectors.

Clearly, the biggest area of concern and uncertainty in Oregon's economic picture is lumber and wood products. In June, this industry added 1,000 workers but a typical increase would have been more than twice as large. Several mills had temporary or permanent layoffs in June and a continuation of this pattern is expected in the months ahead. While current and projected timber supply restrictions linked to the northern spotted owl, which was declared a "threatened species" effective July 23, get most of the attention there are other problems of immediate concern. These include the high cost of logs, slumping demand and prices for finished wood products due to the national recession in the home building and real estate industries, and excess inventories of lumber and plywood in the distribution system.

. . .U.S. housing starts fell for the fifth straight month in June to an annual rate of 1.18 million units, the lowest level since October 1982.

Although the pace of mill closures has picked up during the first half of 1990 (10 plywood/veneer plants and 7 sawmills closed permanently in Oregon according to the July 13 issue of *Random Lengths*), lumber production in the Coast Region (i.e., western Washington and western Oregon) was 3.5% higher in the first half of 1990 than in the same period a year ago. The supply/demand imbalance will not be helped by the Commerce Department's recent report that U.S. housing starts fell for the fifth straight month in June to an annual rate of 1.18 million units, the lowest level since October 1982. In addition, housing starts also took a dive (-10%) in the western states where two-thirds of Oregon's lumber products are used.

Despite these problems in the timber industry, the services industry category created more new jobs (1,400 a month, after seasonal adjustment) during the first half of 1990 than it did in the same period last year (1,200 a month). And even though June hiring was below seasonal expectations, employment in the services category was 9,400, or 3.3% above June 1989. More than half of these new jobs came in health services which has grown by nearly 6% in the past year. Employment growth has also been fairly strong in hotels and other lodging places, social services, and engineering and management services. Growth in business services has slowed to only 1.5% above last June.

One of the strongest employment sectors during the first half of 1990 was government as the U.S. Census Bureau hired several thousand temporary workers. Census employment in Oregon peaked at well over 4,000 in May, then began to wind down accounting for virtually all of the 1,400 net decline in government jobs in June. Elsewhere in government, the U.S. Forest Service hired many seasonal workers while local school districts and community colleges laid off over 2,000 staff as summer vacations began.

One sector of Oregon's economy that had a banner month in June was agriculture. Farm employment soared to over 60,000 in mid-June which was 8,000 above the average level for the last five years. Strawberry and cherry harvesting were in full swing and the number of migrant workers picking the crops was much higher than a year ago. But these jobs, and the workers who hold them, are the most transitory of all. If Oregon's record economic expansion is to continue into 1991 and beyond, we will need not only lower inflation and interest rates, but also a healthy national economy, strong exports, and a reasonable, non-precipitous solution to the timber supply/environmental protection dilemma. And even if Oregon's economy continues to grow as is expected, the more diversified urban areas and tourism/retiree-dependent rural communities will benefit the most. □

TIMBER FAMINE IN THE NATION'S WOOD BASKET?

Gary Lettman and Brian Greber

(Editor's note: Gary Lettman is the Principal Forest Economist with the Oregon Department of Forestry. Brian Greber is an Assistant Professor in the College of Forestry at Oregon State University. Both were key researcher/authors for the recent OSU study entitled "Timber For Oregon's Tomorrow - The 1989 Update" and a soon to be published in-depth economic analysis of the proposed northern spotted owl conservation strategy for the state of Oregon.)

"The waste of valuable timber in the United States will hardly begin to be appreciated until our population reaches 50,000,000. Then the folly and shortsightedness of this age will meet with a degree of censure and reproach not pleasant to contemplate."

Commissioner of Patents, 1849

Threats of timber famine have long been circulated in the lore of American forestry. However, as timber supplies dwindled in one part of the nation, other states and imports filled the nation's needs for wood and paper products. Plastic and other materials replaced wood where economical. And the American forest industry proved remarkably adaptable to continuing changes in timber availability and product demand. Oregon's forest industry quickly adapted to new economic environments too, but now faces unexpected changes. Besides expected reductions in harvest from forest industry lands as they complete the transition from old-growth to second-growth harvests, allocation of public forest land to uses other than timber management has accelerated. The potential establishment of habitat conservation areas for the northern spotted owl continues this trend.

HISTORIC PERSPECTIVE

In 1976, in response to a request from the Oregon State Board of Forestry, Oregon State University prepared a report analyzing timber availability in Oregon: *Timber for Oregon's Tomorrow* by John H. Beuter, K. Norman Johnson, and H. Lynn Scheurman. Best known as the "Beuter Report," the analysis forecasted timber availability problems in western Oregon under then current timber management practices and policies.

By the early 1980s, however, timber availability was the least of Oregon's forest industry's problems. From the booming markets of the late 1970s, demand for forest products fell precipitously. Different from the usual boom and bust cycles, demand remained low and the industry entered a severe depression. Increased interest rates stemming from the Federal Reserve's battle to fight inflation and other fundamental changes in the structure of the nation's monetary policies, such as deregulating the banking industry, kept demand for wood products low for several years. Oregon's timber harvest fell from 8 billion board feet in 1978 to 5.7 billion board feet in 1981.

By 1985, Oregon's timber harvest climbed back to historic levels--above 8 billion board feet--bringing renewed concerns about timber supply. In 1986, Oregon State University again began to evaluate timber availability in Oregon. The final report, published in May 1990, *Timber for Oregon's Tomorrow: The 1989 Update* assessed the likely timber harvest compared with a 1983-1987 reference period, cumulative economic impacts over the next decade, and potential changes from the baseline projections.

Overall, more timber harvest is lost in future decades by harvesting fast-growing younger trees now than is gained by a temporary increase in harvest over the next decade.

In response to concerns over the viability of the northern spotted owl, an interagency scientific committee released its findings in what has been popularly called "the Jack Ward Thomas Report" in April of 1990. At Governor Neil Goldschmidt's request, researchers with the College of Forestry at Oregon State University and the Oregon Department of Forestry updated the data bases used for *The 1989 Update* and conducted an in-depth analysis of the proposed northern spotted owl conservation strategy to determine what the implications were for the state of Oregon. This report, *Conservation Plans for the Northern Spotted Owl: The Economic Implications of Changing Timber Availability*, will be published in August of 1990 and is the basis for this article.

TIMBER FAMINE OR NOT?

Yes, No, and Perhaps. If famine means a great shortage of old-growth, the answer is yes. If famine means a great shortage of wood fiber potentially usable by Oregon's mills, the answer is no. If famine means a scarcity of timber available at prices that would sustain the industry, including log exports, at current output levels, the answer is perhaps.

We considered three scenarios that define the range of potential outcomes from the conservation strategy. First is the "No Private Response" scenario where we assume that management plans for private lands in the habitat conservation areas proposed in the "Thomas Report" are not altered and that both industrial and nonindustrial private owners harvest at their sustainable levels.

The second scenario for assessing the conservation strategy is the "Private Response" scenario provided in an interagency (U.S. Forest Service and Bureau of Land Management) assessment of the economic effects of the conservation strategy. The interagency economic assessment assumed that private land in the habitat conservation areas proposed would remain in the timber base and estimated that the private harvest would increase because of price increases brought about by changing forest plans and the conservation strategy.

The third scenario is the "Private Conservation" scenario where it is assumed that all private acres within the habitat conservation areas are withdrawn from the timber base and that additional harvesting restrictions would occur on private lands outside the conservation areas. This scenario was not specifically recommended in the "Thomas Report."

An accompanying graph portrays historical Oregon timber harvests, the baseline projection for 1991-2000 timber harvests, and the three alternative conservation scenarios.

PUBLIC LANDS

The 1989 Update and *The Economic Implications* reports, unlike the 1976 study, project the greatest timber availability reductions on Oregon's national forests. Old-growth forest stands are the key to timber availability changes on the national forests. The wood in these older stands had been counted on for harvest until intensively managed planted stands mature.

Ecological concerns and increasing demands on the forests for non-timber uses have reduced lands available for commercial timber management on the national forests. The net reduction of forest land available for regulated timber harvests on all Oregon national forests between 1975 and that proposed in the new plans is greater than 30 percent. The recently proposed plan for the protection of northern spotted owls or plans to protect other potentially threatened or endangered species could reduce the land base available for timber management further. Many of the acres withdrawn from the timber base contain older stands of timber. Much of the potential reduction in timber sales volume has occurred because of the withdrawal from the timber base of these stands containing large volumes of mature timber.

Public harvests could decline 1.8 billion board feet (38.9%) from the mid-1980s level as a result of proposed forest plans coupled with the owl conservation strategy. The proposed public plans themselves account for a 0.7 billion board foot decline (14%) from the public harvest level of the mid-1980s.

The bottom line: the potential harvest from public lands is falling. By law, federal forests must not cut more than is sustainable. When timber lands are removed from the harvest base, the amount of timber cut must fall until a sustainable level is reached. On lands with a "deficit" of mature timber--which is the case in most of Oregon's forests--as young and highly managed stands mature, the cut can rise again, albeit not to previous levels.

PRIVATE LANDS

Average annual private harvests are projected to range from a low of 1.7 billion board feet, assuming adoption of the conservation strategy, to a high of 4 billion board feet based on a price response to timber scarcity. Adoption of the conservation strategy represents roughly a 50 percent decrease from historic and projected levels. The price response scenario represents an average harvest 20% higher than the 1983-1987 levels.

The offset from the Private Response scenario must be viewed as temporary. This increased harvest from the private lands can only be brought about through liquidating most of the private inventory of older trees. The cost would be significant going into the 21st century, as both sustainable industry and nonindustrial harvests entering the century drop significantly. Overall, more timber harvest is lost in future decades by harvesting fast-growing younger trees now than is gained by a temporary increase in harvest over the next decade.

ALL LANDS

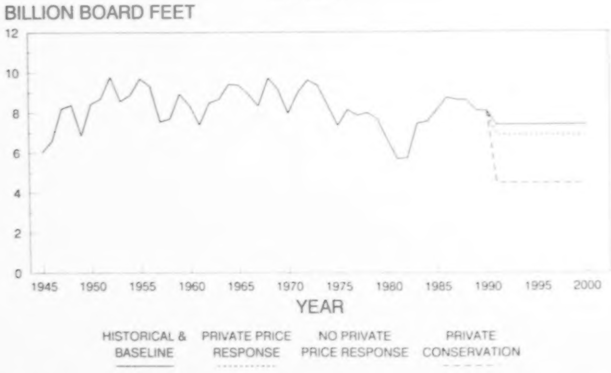
Implementation of the conservation strategy along with proposed public plans will have significant impacts on Oregon's timber harvest level in the 1990s. Considering both the owl conservation strategy and the proposed forest plans, annual average harvest levels are projected to fall 1.2 billion (14.4%) to 3.5 billion (43.5%) board feet from 1983-1987 levels depending on the private scenario.

ECONOMIC IMPLICATIONS

The changing timber availability associated with the Interagency Scientific Committee conservation strategy may be termed an economic crisis for many people, households, businesses, and communities throughout western Oregon. Growth in the state's metropolitan areas will diminish the economic impact for Oregon as a whole. While the implications for the state in total may not be alarming, a bleak future faces many rural communities and the social implications may have statewide ramifications.

ACTUAL & PROJECTED TIMBER HARVESTS IN OREGON

1945-2000



Throughout western Oregon, all communities outside of the U.S. Interstate 5 corridor and non-coastal communities must be considered at risk when the conservation strategy is coupled with the proposed public plans. The disruptions within these communities stem beyond jobs and income. Despite anticipated growth in the statewide economy, re-employment opportunities in the western rural communities are likely to be scarce in the foreseeable future.

Timber industry employment will fall in all western Oregon timbersheds outside of the North Coast. The Willamette, Eugene, Roseburg, Medford, and South Coast timbersheds could see timber industry employment declines of over 15 percent even if private harvests increase in response to price increases, and this could extend to as high as 35 percent if private lands are affected by the strategy.

As the timber industry and its employees buy less of Oregon's goods and services, the impact ripples through the Oregon economy. More than one other job will be displaced along with each timber job. Economic projections based on mid-1980s harvest levels call for economy-wide job displacement associated with the proposed plans and the spotted owl conservation strategy ranging from 12 to 50 thousand jobs in the mid-1990s (depending upon the outcome on private lands). Income associated with this employment would range from 470 million to 2 billion dollars per year. This includes both the direct and indirect income effects throughout the state's economy.

CAN OWNERS PRODUCE MORE TIMBER THAN PROJECTED?

Yes, but the short-term wood will not come from traditional sources and may not be suitable for traditional forest products. In the long run, the potential to grow more wood through combining intensive management and genetics appears unlimited.

Nonindustrial private owners have increased their harvest every year since reaching a low of 180 million board feet harvested in 1981. Preliminary data point to a harvest of over 700 million board feet in 1989. If these owners were to improve tree stocking in underproductive stands, adopt moderate increases in management intensity, and harvest closer to their potential and if uses could be found for now underutilized tree species, this ownership could sustainably harvest well over 800 million board feet per year.

Much of the tree volume that is not used in western Oregon consists of hardwood species. Although there are almost six billion board feet of hardwood growing stock in western Oregon, hardwoods comprise only about two percent of the state's timber harvest (180 million board feet, roughly). There appears to be potential to increase utilization of this resource, but much of it is in sensitive streamside areas and it is not known how much of this is economically and environmentally feasible to harvest.

Genetic improvement opportunities exist to improve the long-range outlook, but must be tempered because every tree that will be harvested over the next several decades is already in the ground, except for potential high-yield hardwood plantations. However, by coupling improved seed and other genetic tools with appropriate silvicultural techniques such as adequate site preparation, vegetation control, fertilization and thinning, it may be possible to shorten timber rotations and bring future harvests nearer to the present. However, increases in timber growth will still not be available for harvest until well into the 21st century. Although gains from genetic improvement will not be fully verifiable until planting stock matures, tests suggest that 10 to 20 percent gains are feasible for first generation improved growing stock.

Even with likely downward adjustment in timber harvest levels, Oregon's wood products industry will be a major player in the state's economy for decades to come.

CONCLUSIONS

Although the owl officially goes on the list of threatened species July 23, it is unclear what conservation strategy will be used on both public and private lands. It is also unclear whether other species using Oregon's forests will soon fall under the protection of the Endangered Species Act of 1973. It is apparent, however, that the combination of newly proposed national forest plans and any conservation strategy for the northern spotted owl will lead to substantial changes in timber availability in the state.

Timber famines have been projected for decades while the solutions have been seen as far in the future. The following was published in the annual report of the Commissioner of Agriculture for 1865:

"It is feared it will be long, perhaps a full century, before the results at which

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	May[2] 1990	Apr.[3] 1990	May 1989	May[2] 1990	Apr.[3] 1990	May 1989	May[2] 1990	Apr.[3] 1990	May 1989
TOTAL MANUFACTURING[4]	$442.18	$445.11	$427.00	39.8	40.1	39.5	$11.11	$11.10	$10.81
Durable Goods	447.12	456.85	432.23	40.1	40.9	39.8	11.15	11.17	10.86
Lumber & Wood Products	448.54	453.58	434.91	40.3	40.9	39.9	11.13	11.09	10.90
Logging & Sawmills	474.42	479.52	470.83	39.8	40.5	39.8	11.92	11.84	11.83
Veneer & Plywood	440.64	457.29	422.42	40.5	41.8	40.5	10.88	10.94	10.43
Millwork & Structural	398.77	394.25	357.98	41.8	41.5	39.6	9.54	9.50	9.04
Mobile Homes	352.68	354.72	334.53	37.4	37.3	37.8	9.43	9.51	8.85
Other Wood Products	442.95	447.28	424.35	40.9	41.3	41.0	10.83	10.83	10.35
Furniture & Fixtures	393.58	355.34	356.28	38.7	34.6	38.6	10.17	10.27	9.23
Primary Metals	506.74	514.49	502.57	40.8	40.8	41.5	12.42	12.61	12.11
Fabricated Metals	410.65	410.94	399.35	39.6	39.4	39.5	10.37	10.43	10.11
Machinery (Ex Electrical)	446.02	446.42	454.62	40.4	40.4	40.7	11.04	11.05	11.17
Nondurable Goods	424.93	410.51	408.96	38.7	37.8	38.4	10.98	10.86	10.65
Food & Kindred Products	350.62	338.56	338.72	37.3	35.6	37.1	9.40	9.51	9.13
Canning & Preserving	304.61	278.39	281.24	36.7	33.5	35.6	8.30	8.31	7.90
Other Food Products	413.71	419.33	414.18	38.2	38.4	39.0	10.83	10.92	10.62
Textile Mill Products	264.18	257.40	250.98	37.0	36.0	36.8	7.14	7.15	6.82
Apparel	269.81	275.10	253.24	38.6	39.3	38.9	6.99	7.00	6.51
Paper & Allied Products	638.11	633.22	655.32	40.8	40.8	43.0	15.64	15.52	15.24
Printing & Publishing	471.39	446.08	416.30	38.2	37.9	36.2	12.34	11.77	11.50
Construction[4]	573.38	590.93	565.06	37.5	38.1	38.0	15.29	15.51	14.87
Communications & Utilities[5]	563.86	573.12	561.70	40.8	41.5	41.7	13.82	13.81	13.47
Trade[5]	320.51	336.06	311.10	34.5	35.6	34.3	9.29	9.44	9.07
Wholesale Trade	426.72	447.82	412.52	38.1	39.7	37.4	11.20	11.28	11.03
Retail Trade	268.14	278.39	258.98	32.7	33.5	32.7	8.20	8.31	7.92
Banking & Insurance[5]	355.88	373.65	338.37	36.5	38.6	36.7	9.75	9.68	9.22
State & Local Government	400.99	401.64	380.01						

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[1] Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

[2] Preliminary

[3] Revised

[4] Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

[5] Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

we ought to aim as a nation will be realized by our whole country, to wit, that we should raise an adequate supply of wood and timber for all our wants. The evils which are anticipated will probably increase upon us for thirty years to come, with ten-fold the rapidity with which restoring or ameliorating measures shall be adopted."

Even with likely downward adjustment in timber harvest levels, Oregon's wood products industry will be a major player in the state's economy for decades to come. Is it possible for Oregon to look for immediate relief to timber availability problems? In the past, the market system solved short-term problems of scarcity by increasing prices of commodities in short supply, by forcing buyers to alternative sources (including imports), and by encouraging substitution of alternative products as their production became economically feasible. This came at considerable human cost.

Short-term solutions that lessen the immediate human cost also will come with a price tag, whether for increased research into opportunities for adding more value to wood products shipped out of Oregon, or for retraining displaced workers, or for maintaining today's cut at the expense of even greater shortfalls in the future.

It is clear that the immediate prosperity of both the wood products industry and Oregonians dependent upon it will not be based on cheap raw materials. Instead, the hope for this industry lies with the ingenuity and wisdom of its workers, owners, and state and national policymakers in making wise investments in the future. ☐

STATE OF OREGON UNEMPLOYMENT RATES BY AREA

June 1990

	Civilian Labor Force	Total Employment	Unemployment	Rate[1]
State of Oregon	1,510,700	1,431,900	78,800	5.2
Eugene MSA[2]	150,600	142,200	8,400	5.6
Medford MSA[3]	72,050	67,210	4,840	6.7
Portland PMSA[4]	686,400	657,700	28,700	4.2
Salem MSA[5]	144,600	137,200	7,400	5.1
Baker	7,080	6,540	540	7.6
Benton	38,310	36,740	1,570	4.1
Clatsop	18,980	18,040	940	5.0
Columbia	19,450	18,240	1,210	6.2
Coos	27,550	25,390	2,160	7.8
Crook	7,270	6,810	460	6.3
Curry	10,050	9,650	400	4.0
Deschutes	41,780	39,610	2,170	5.2
Douglas	46,830	43,740	3,090	6.6
Gilliam	1,040	1,010	30	2.9
Grant	4,440	4,150	290	6.5
Harney	4,390	4,090	300	6.8
Hood River	9,680	8,670	1,010	10.4
Jefferson	7,640	7,180	460	6.0
Josephine	27,610	25,680	1,930	7.0
Klamath	25,710	23,530	2,180	8.5
Lake	4,150	3,800	350	8.4
Lincoln	20,330	19,280	1,050	5.2
Linn	43,650	40,190	3,460	7.9
Malheur	14,160	13,590	570	4.0
Morrow	4,020	3,720	300	7.5
Sherman	810	770	40	4.9
Tillamook	9,330	8,890	440	4.7
Umatilla	30,950	28,210	2,740	8.9
Union	11,560	10,830	730	6.3
Wallowa	3,980	3,720	260	6.5
Wasco	15,640	14,930	710	4.5
Wheeler	590	560	30	5.1

[1] *Not Seasonally Adjusted*

[2] *Lane County*

[3] *Jackson County*

[4] *Clackamas, Multnomah, Washington, Yamhill counties*

[5] *Marion and Polk counties*

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INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

July	1990	5.8
June	1990	5.3
July	1989	5.7

United States (Seas. Adj.)

July	1990	5.5
June	1990	5.2
July	1989	5.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977 = 100)

July	1990	133.1
June	1990	132.7
May	1990	133.5
Apr.	1990	133.2
Mar.	1990	132.9

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

June	1990	$11.03
May	1990	$11.12
June	1989	$10.78

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

June	1990	39.1
May	1990	39.8
June	1989	39.6

CONSUMER PRICE INDEX (CPI)

1982-84 = 100
ALL URBAN CONSUMERS

Portland-Vancouver

Jan.-June 1990	124.9
Yearly change	4.7%
Annual Average 1989	120.4
Yearly change	5.0%

United States

July 1990	130.4
Yearly change	4.8%
Annual Average 1989	124.0
Yearly change	4.8%

Portland Hotline 326-4132

"Situation Hopeless, But Not Serious," or Siskel & Ebert Meet the Month in Review

Duane Ackerson

A hot month, and probably a good occasion to visit a cool movie theatre, whereas normally we might rent a video.

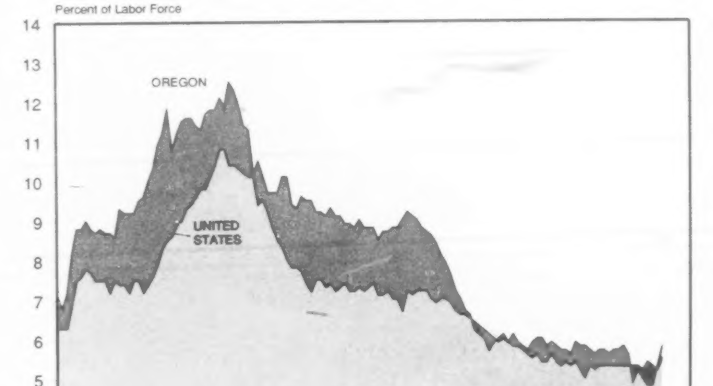
Robert Redford, in this particular film incarnation, is a U.S. airman who's landed behind the lines in WWII Germany and, with another comrade, is hiding in the basement of Alec Guinness's home. Guinness, over-anxious for company, persuades the two to stay there in hiding for years, telling them the war still hasn't ended long after it actually has.

(Fade to the present; or, at least, the recent past:)

At times recently, one might almost feel that the reverse of this movie scenario has occurred: the war has already started unannounced, we're behind enemy lines (read "gas lines"?), and our only salvation may be to accept the fact that the war has already started, with no end close in sight, and hope that the casualties (bad enough, admittedly) will only be economic.

However, before the Iraqi invasion of Kuwait and the prospect of military confrontations in the Mideast plunge us into total depression (little "d"; or, for that matter, maybe it should be big "D"), it might be time to consider the adage that almost any misfortune has some fortunate aspects, too. (The Great Savings and Loan Disaster, by the way, can probably be exempted from that maxim.) This truism may already be all-too-apparent from the fact that oil companies and retailers were already collecting increased amounts of green from the pockets of consumers before the oil shortages even arrived. Still, aside from the benefits accruing to a very few, there may be a few more widespread advantages to the latest large disadvantage known as the (supply your own capitalization if so desired) "oil crisis."

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



Civilian Labor Force Only

OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	JUL.1/ 1990	JUN.2/ 1990	JUL. 1989	CHANGE FROM JUN. 1990	CHANGE FROM JUL. 1989
TOTAL 5/	1,245,600	1,261,500	1,209,100	- 15,800	36,600
WAGE & SALARY EMPLOYMENT INDEX 6/	133.1	132.7	129.2	XXX	XXX
GOODS PRODUCING INDUSTRIES 7/	279,900	273,100	275,200	6,900	4,800
SERVICE PRODUCING INDUSTRIES 8/	965,700	988,400	933,900	- 22,700	31,800
TOTAL MANUFACTURING	226,400	221,400	225,400	5,100	1,100
DURABLE GOODS	161,000	160,200	163,800	900	- 2,700
LUMBER & WOOD PRODUCTS	65,900	65,900	70,400	100	- 4,400
LOGGING	11,500	11,600	13,100	0	- 1,500
SAWMILLS	21,500	21,600	23,900	- 100	- 2,400
VENEER & PLYWOOD	15,000	15,000	16,400	0	- 1,400
MILLWORK & STRUCTURAL WOOD	11,400	11,300	10,700	100	700
MOBILE HOMES	2,100	2,000	1,900	100	200
OTHER WOOD PRODUCTS	4,400	4,400	4,400	0	0
FURNITURE AND FIXTURES	3,000	3,000	3,000	0	0
STONE, CLAY, GLASS & CONCRETE	4,400	4,400	4,400	0	0
PRIMARY METALS	11,800	11,500	11,200	300	600
BLAST FURNACES, IRON & STEEL 9/	6,100	5,900	5,700	200	400
NONFERROUS METALS 9/	5,700	5,600	5,500	100	200
FABRICATED METALS	12,100	11,900	12,400	200	- 300
FABRICATED STRUCTURAL METALS	5,200	5,200	5,200	0	0
OTHER FABRICATED METALS	6,900	6,700	7,200	200	- 300
MACHINERY	18,000	18,000	17,900	0	100
OFFICE & COMPUTING MACHINES	4,900	4,900	4,600	0	300
OTHER MACHINERY	13,100	13,100	13,300	0	- 200
ELECTRONIC & OTHER ELECTRIC EQUIPMENT 9/	17,300	17,000	15,700	300	1,600
TRANSPORTATION EQUIPMENT	13,100	13,000	12,200	100	900
INSTRUMENTS & RELATED PRODUCTS 9/	11,400	11,600	12,700	- 200	- 1,300
MISCELLANEOUS MANUFACTURING	4,000	3,900	3,900	100	100
NONDURABLE GOODS	65,400	61,200	61,600	4,200	3,800
FOOD & KINDRED PRODUCTS	29,500	25,400	26,100	4,100	3,400
CANNING & PRESERVING	18,300	14,300	15,100	4,000	3,200
OTHER FOOD PRODUCTS	11,200	11,100	11,000	100	200
TEXTILE MILL PRODUCTS	1,700	1,700	1,800	0	- 100
APPAREL	2,500	2,600	2,600	- 100	- 100
PAPER & ALLIED PRODUCTS	9,400	9,300	9,400	100	0
PRINTING & PUBLISHING	14,100	14,000	13,500	100	600
CHEMICALS & ALLIED PRODUCTS	2,400	2,300	2,300	100	100
PETROLEUM & ASPHALT PRODUCTS	500	500	500	0	0
RUBBER & PLASTIC PRODUCTS	4,900	4,900	5,000	0	- 100
LEATHER PRODUCTS	400	500	400	- 100	0
TOTAL NONMANUFACTURING	1,019,200	1,040,100	983,700	- 20,900	35,500
MINING & QUARRYING	1,500	1,400	1,600	100	- 100
CONSTRUCTION	52,000	50,300	48,200	1,700	3,800
BUILDING CONSTRUCTION	12,700	12,800	11,700	- 100	1,000
HEAVY CONSTRUCTION	6,700	6,500	7,300	200	- 600
SPECIAL TRADE CONTRACTORS	32,600	31,000	29,200	1,600	3,400
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	63,800	64,600	62,900	- 800	900
TRANSPORTATION	42,500	42,800	41,400	- 300	1,100
RAILROAD	3,800	3,800	3,900	0	- 100
TRUCKING & WAREHOUSING	24,700	24,800	24,300	- 100	400
OTHER TRANSPORTATION	14,000	14,200	13,200	- 200	800
COMMUNICATIONS	12,100	12,400	12,600	- 300	- 500
UTILITIES	9,200	9,400	8,900	- 200	300
TRADE	326,400	323,000	313,300	3,400	13,100
WHOLESALE TRADE	82,200	81,400	78,900	800	3,300
DURABLE GOODS	48,500	48,400	46,500	100	2,000
MACHINERY, EQUIPMENT, & SUPPLIES	11,400	11,400	11,000	0	400
OTHER DURABLE GOODS	37,100	37,000	35,500	100	1,600
NONDURABLE GOODS	33,700	33,000	32,400	700	1,300
GROCERIES & RELATED PRODUCTS	12,300	11,900	11,900	400	400
OTHER NONDURABLE GOODS	21,400	21,100	20,500	300	900
RETAIL TRADE	244,200	241,600	234,400	2,600	9,800
BUILDING MATERIALS & GARDEN SUPPLIES	9,300	9,400	8,600	- 100	700
GENERAL MERCHANDISE	30,600	29,900	28,800	700	1,800
FOOD STORES	43,200	42,000	40,500	1,200	2,700
AUTO DEALERS & SERVICE STATIONS	29,600	29,300	29,600	300	0
APPAREL & ACCESSORY STORES	10,700	10,200	10,000	500	700
FURNITURE & HOME FURNISHINGS	9,900	9,900	8,900	0	1,000
EATING & DRINKING PLACES	88,100	87,900	85,100	200	3,000
MISCELLANEOUS RETAIL	22,800	23,000	22,900	- 200	- 100
FINANCE, INSURANCE, & REAL ESTATE	78,000	77,300	76,800	700	1,200
FINANCE	28,200	28,000	28,100	200	100
INSURANCE	22,300	22,300	22,400	0	- 100
REAL ESTATE	27,500	27,000	26,300	500	1,200
SERVICES	292,100	291,000	282,800	1,100	9,300
HOTELS & OTHER LODGING PLACES	21,400	20,600	20,100	800	1,300
PERSONAL SERVICES	10,900	10,900	10,900	0	0
BUSINESS SERVICES	47,600	48,300	47,400	- 700	200
AUTOMOTIVE & MISC. REPAIR SERVICES	15,500	15,300	15,700	200	- 200
MOTION PICTURES & AMUSEMENTS	14,600	14,400	14,500	200	100
HEALTH SERVICES	87,500	86,800	82,800	700	4,700
LEGAL SERVICES	9,100	9,000	8,800	100	300
PRIVATE EDUCATION	11,600	12,300	11,700	- 700	- 100
SOCIAL SERVICES	24,800	25,200	24,000	- 400	800
ENGINEERING & MANAGEMENT SERVICES	20,500	20,100	18,800	400	1,700
OTHER SERVICES & NEC	28,600	28,100	28,100	500	500
GOVERNMENT	205,400	232,500	198,100	- 27,100	7,300
FEDERAL GOVERNMENT	35,700	37,000	33,500	- 1,300	2,200
STATE GOVERNMENT	57,700	62,700	56,400	- 5,000	1,300
EDUCATION	20,800	26,200	20,500	- 5,400	300
OTHER STATE	36,900	36,500	35,900	400	1,000
LOCAL GOVERNMENT	112,000	132,800	108,200	- 20,800	3,800
EDUCATION	62,000	82,700	59,300	- 20,700	2,700
OTHER LOCAL	50,000	50,100	48,900	- 100	1,100
LABOR-MANAGEMENT DISPUTES 10/	500	400	300	100	200

OREGON RESIDENT LABOR FORCE (BY PLACE OF RESIDENCE)

	JUL. 1/ 1990	JUN. 2/ 1990	JUL. 1989	CHANGE FROM JUN. 1990	CHANGE FROM JUL. 1989
CIVILIAN LABOR FORCE 3/	1,511,100	1,510,900	1,511,200	200	- 100
UNEMPLOYMENT	86,400	79,000	84,600	7,400	1,800
PERCENT OF LABOR FORCE	5.7	5.2	5.6	XXX	XXX
SEASONALLY ADJUSTED PERCENT	5.8	5.3	5.7	XXX	XXX
TOTAL EMPLOYMENT 4/	1,424,700	1,431,900	1,426,600	- 7,200	- 1,900

1/ Preliminary
2/ Revised
3/ Includes employed and unemployed individuals 16 years and older, adjusted for multiple job-holding and commuting.
4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.
5/ Includes full- and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: These data are estimat in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration. All dat are based on the 1987 Standard Industrial Classification (SIC) codes.
6/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of 0.8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).
7/ Goods producing industries include manufacturing, mining, and construction.
8/ Service producing industries include transportation, communications, and utilities; trade; finance, insurance, and real estate; services; and government.
9/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.
10/ Employees involved in labor disputes are not included in wage and salary employment counts.

(Director's note to film editor: at this point, splice in some standard forest footage, preferably old growth. Though basically irrelevant to the present storyline, the audience's imagination will supply a subtext: perhaps one of the airmen is dreaming in his present confinement of open spaces.)

With groundbreaking legislation like the bottle bill, Oregon has in the past taken the lead in many issues involving the environment. The oil crisis may prove an opportune time to capitalize on Oregon's concern with the environment and the lead it has over many states in such things as recycling. It may also mean that we have a head start in this state toward operating with a bit more efficiency in times of oil shortage. For instance, the economic viability of recycling industries may also improve under these circumstances. A current objection to recycling plastics is that this process is presently more expensive than producing new plastic. However, with the strong likelihood of future petroleum shortages and higher prices, recycling of plastics may become not only more practical and profitable, but possibly even essential. This may be the optimum time to demonstrate that companies can derive profits from conservation while being environmentally responsible.

This may be the optimum time to demonstrate that companies can derive profits from conservation while being environmentally responsible.

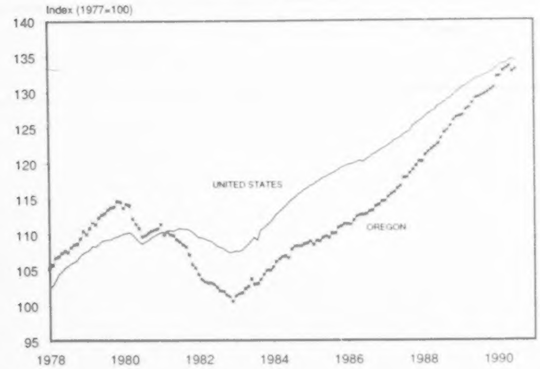
(Director's note to cameramen: move in for a closeup. Maybe Redford is slightly delirious from cabin fever, and is hallucinating his own movie within a movie about cars of the future.)

Another possible, more short-term benefit of the oil crisis for Oregon: though demand for cars, especially gas guzzlers, could decline, hurting the auto industry, Oregon might benefit from increased imports through/into this state of more fuel-efficient foreign cars, especially from Pacific Rim countries.

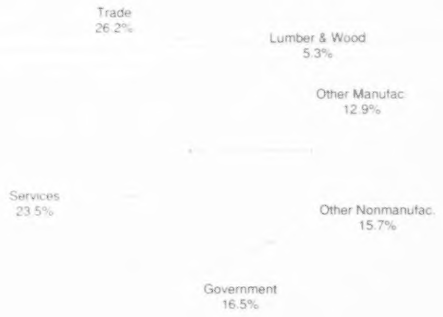
(Note from director to the second unit director: at this point, insert stock footage: cans moving along factory production lines, trees being felled, houses being framed.)

On a front closer to home than the Mideast, total wage and salary employment in Oregon for July 1990, at 1,245,600, was 36,500 higher than a year ago, and down 15,900 from the preceding month. However, after seasonal adjustment, July's less than nor-

NONFARM WAGE & SALARY EMPLOYMENT INDEXES
(SEASONALLY ADJUSTED)



Oregon Employment by Industry
Wage & Salary Jobs, July 1990



mal decline translated into a 3,300 increase from June. As usual, nonmanufacturing accounted for the majority (1,900) of this gain. However, manufacturing this time of year, thanks in particular to the canning and preserving sector, is generally an important player with the harvest underway. As a consequence, cannery jobs in food and kindred products accounted for a goodly portion of the seasonally adjusted increase of 1,400 in manufacturing.

> ***. . .construction currently seems to be losing the momentum generated in the preceding two years.***

July usually brings a seasonal gain of 700 jobs in lumber and wood products. This year, no such increase occurred due to slumping demand and prices for lumber and plywood coupled with higher log costs. The 1,700 jobs added to construction was also less than normal for July, resulting in a seasonally adjusted decline of 400. Construction expanded rapidly in 1988 and 1989. At present, this industry has attained an employment level of 52,000; once more, as in June (when it was at 50,300), reaching its highest point since 1979 and topping its performance in the previous month by 1,700. However, despite the fact that the number of jobs in this industry is 3,800 more than a year ago, construction currently seems to be losing the momentum generated in the preceding two years.

Food and kindred products fared better than these two preceding areas. Over the past month, this industry added 4,100 to its payrolls, and even though an increase, in this case, 2,200, was expected, the seasonally adjusted gain was still an impressive 1,900. At 29,500, the industry also reached its highest July ever.

(Note from film distributor to theatre projectionists: time to change the reel.)

Some other areas of the Oregon economy also showed strength. Trade and services both racked up strong performances. Harvest time brought wholesale fresh fruits, which accounted for half the job increase in the wholesale sector. Wholesale lumber and construction accounted for another quarter of the change. The actual, or raw, change in wholesale trade was 800; this amounts to an increase of 300 when seasonally adjusted. Retail trade made gains in nearly all its industries, resulting in an increase, seasonally adjusted, of 1,600.

In the services area, with an actual change of 1,100 and a seasonally adjusted 1,700, gains took place in those types of employment particularly tied in with summer. For example, hotels were up 800, and amusement and recreation services (particularly, motion pictures and amusements, up 200) showed considerable growth. In the government sector, the U.S. Census Bureau has completed the majority of its data gathering, and is reducing the number of temporary employees hired for the decennial census. Approximately 1,400 of these workers were employed in July, according to the San Francisco Regional Office for the Bureau of Labor Statistics, compared with a high of almost 4,800 in May. Government employment as a whole is down 1,100 when viewed from a seasonally adjusted perspective.

(Scriptwriter to director: this might be a good time to pan along on a medium shot of a crowd of workers waiting in a line. If nothing more can be shot without going over budget, use old 1930s newsreel footage. Please do not resort to dubbing in something like "Brother, Can You Spare A Dime?" even if that song is now in the public domain and will save the producer some royalty payments.)

In the area of unemployment, the number of jobseekers went from 79,000 to 86,400 between June and July, causing the seasonally adjusted unemployment rate to rise half a point to 5.8%, or three-tenths of a percent above the national rate. The Oregon rate has risen a whole percentage point since May, reflecting an economic slowdown that may portend a recession close at hand, a recession the recent troubles in the Persian Gulf have brought closer to our doors.

These upward jumps in the unemployment rate in the last two months might still be aberrations. However, a cause for concern in last month's lead article was the fact that not only the unemployment rate, but a second key labor market indicator, the nonfarm wage and salary employment index, also took a turn for the worse, falling in June by eight-tenths of a percentage point to 132.7. This was the first decline in that index in Oregon in two and a half years. However, where that indicator is concerned, there is now at least occasion for mild optimism, as the index for July rose four-tenths of a point to 133.1.

However, guarded relief at best is called for since the national employment index also appears to be troubled. For two months this year, March and April, the U.S. index leveled off at 133.9, and preliminary figures show a decline of 0.3 between June and July, the first decrease since June 1986, when the index fell two-tenths of a point. Probably both state and national employment indices should be reviewed carefully in the light of future readings and revisions.

(Dissolve to the outside of the theatre somewhat later. Our cue for the offscreen narrator to say:)

And, speaking of reviews, the audience is now filing out of the movie theatre. Some feel it was a good movie, others, not so good. Some younger members of the audience feel the Robert Redford role should have been played by Tom Cruise; still others, having heard that Alec Guinness was in the film, had expected a sequel to the *Star Wars* trilogy or something, at least, with an occasional hologram, not an old, and rather obscure black and white film from the 1960s. The prospective audience for the next showing, waiting to get in, wonders what it's in for, and those who are inclined to read the end of mystery novels first make inquiries of the departing people. To these, some exiting viewers declare they would give what's just taken place an "8"; others, perhaps, a "3." Another, waxing philosophical, says that what seemed impressive on the large screen may not seem nearly as important in a year or so when it's reduced to video. And, as pollsters have found in the past, some people seem to have been running very different versions of the story in their heads. One person says it was all about how Winnie the Consumer, having in the past had too much to consume, now finds him/herself stuck down the rabbithole; another declares it was a story about how a national leader, played by Sylvester Stallone, took a firm line in a time of crisis, saved the country from impending oil blackmail, and married Dolly Parton.

So, the crowd mills about, trying to arrive at some sort of consensus, until at last, relief appears at hand. A closeup of two larger than life faces, one chubby, the other leaner, appear overhead in the summer sky that is just now becoming dark enough to provide a proper backdrop for them. "Gene, you goober, I already know what you're going to say, but I give it a thumbs down." "Roger, you raisinet, I think you misunderstood what the whole thing was about. It's a definite thumbs up." The faces fade from above, providing a momentary after-image of two enlarged thumbs, and leaving those of us below with a craving for darkness and the comfort of chocolate-covered hands.

Now that the reviewers have had their say, it's definitely a wrap. Time to strike the set. □

RECENT TRENDS IN OREGON'S EMPLOYMENT AND RESIDENTIAL BUILDING

Michael F. Murphy

(Editor's note: Mr. Murphy is an economist with the Oregon Housing Agency.)

In contrast to the rest of the nation, Oregon's residential construction rose considerably from 1987 to 1989. Units authorized by building permits went from 12,700 in 1987 to 14,000 in 1988, a 10% increase. In 1989, units permitted increased a dramatic 62%, with the number of units that year over 22,700. In the multi-family sector, units authorized by permits went from below 4,800 in 1988 to almost 11,000 in 1989.

Nationwide, housing starts dropped 9% between 1987 and 1988 (1.63 to 1.49 million units). In 1989, the housing slump continued as starts fell another 7% to 1.38 million. In nearly every state there was a drop in multi-family construction from 1988 to 1989.

> ***. . .Oregon has experienced dramatic increases in rents since 1987.***

Why the increases in building activity in Oregon during those years? Two main reasons arise. Oregon's economy and population in the past several years has been growing more rapidly than the nation's, fueling housing demands. In addition, there was relatively little residential construction in Oregon during much of the '80s causing low vacancy rates. The U.S. Department of Housing and Urban Development (HUD) estimates that in 1988 nationwide rental vacancy rates were 7.5%; in Oregon the estimate was 3.5%. Low vacancy rates, indicative of a tight housing market, encourages development. In addition, Oregon has experienced dramatic increases in rents since 1987. HUD estimates that, statewide, rents increased 16% from 1987 to 1988 and another 7% in 1989. The large increases in rents pushed potential profits in multi-family housing high enough to spark development.

During the same time period construction employment boomed. While overall nonagricultural wage and salary

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	June[2] 1990	May[3] 1990	June 1989	June[2] 1990	May[3] 1990	June 1989	June[2] 1990	May[3] 1990	June 1989
TOTAL MANUFACTURING[4]	$431.27	$442.58	$426.89	39.1	39.8	39.6	$11.03	$11.12	$10.78
Durable Goods	441.46	447.52	436.40	39.7	40.1	40.0	11.12	11.16	10.91
Lumber & Wood Products	444.11	447.43	438.50	40.3	40.2	39.9	11.02	11.13	10.99
Logging & Sawmills	475.59	474.42	478.31	40.1	39.7	40.5	11.86	11.95	11.81
Veneer & Plywood	423.32	438.87	413.90	39.6	40.3	38.9	10.69	10.89	10.64
Millwork & Structural	400.79	398.47	359.99	42.1	41.9	39.3	9.52	9.51	9.16
Mobile Homes	369.03	359.84	352.52	39.3	38.2	39.3	9.39	9.42	8.97
Other Wood Products	423.60	441.46	430.56	40.0	40.8	41.4	10.59	10.82	10.40
Furniture & Fixtures	370.00	391.16	318.36	37.0	38.5	35.1	10.00	10.16	9.07
Primary Metals	472.00	508.40	498.17	37.7	41.0	40.8	12.52	12.40	12.21
Fabricated Metals	412.26	412.88	406.18	39.3	39.7	39.9	10.49	10.40	10.18
Machinery (Ex Electrical)	449.65	441.90	454.16	40.4	40.1	41.4	11.13	11.02	10.97
Nondurable Goods	406.73	424.93	398.98	37.8	38.7	38.4	10.76	10.98	10.39
Food & Kindred Products	322.54	352.13	332.61	35.6	37.5	38.1	9.06	9.39	8.73
Canning & Preserving	264.88	299.37	288.03	33.7	36.2	37.7	7.86	8.27	7.64
Other Food Products	424.71	422.18	408.45	39.0	39.2	38.9	10.89	10.77	10.50
Textile Mill Products	271.70	268.46	232.69	38.0	37.6	33.1	7.15	7.14	7.03
Apparel	270.48	270.82	256.32	39.2	38.8	38.2	6.90	6.98	6.71
Paper & Allied Products	627.89	637.30	616.49	41.2	40.8	40.8	15.24	15.62	15.11
Printing & Publishing	474.83	475.49	425.96	37.3	38.1	36.5	12.73	12.48	11.67
Construction[4]	580.50	573.75	563.95	37.5	37.5	37.9	15.48	15.30	14.88
Communications & Utilities[5]	577.46	562.78	552.45	41.1	40.9	41.6	14.05	13.76	13.28
Trade[5]	331.47	322.47	320.16	35.3	34.6	34.8	9.39	9.32	9.20
Wholesale Trade	433.58	431.64	429.02	38.1	38.3	38.0	11.38	11.27	11.29
Retail Trade	278.51	267.65	264.60	33.8	32.8	33.2	8.24	8.16	7.97
Banking & Insurance[5]	361.66	353.81	337.98	37.4	36.4	37.1	9.67	9.72	9.11
State & Local Government	401.82	399.40	381.64						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

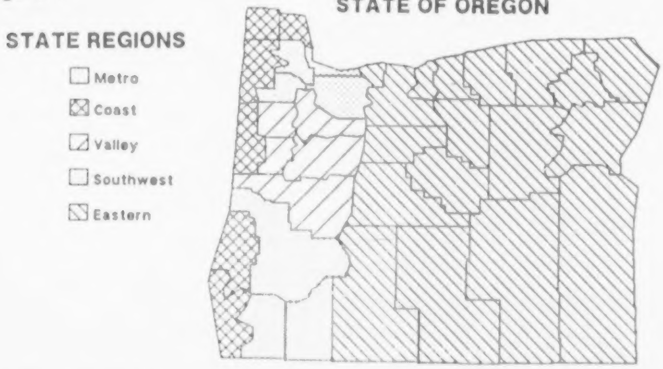
[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

employment increased 5.1% from 1987 to 1988, construction employment rose 13%. In 1989, the gap widened even further as overall employment growth slowed to 4.4% while construction jumped 13.4%. The rest of this article will discuss the relationship between the housing boom and construction employment focusing, in particular, on different parts of the state.

The two construction sectors used are general construction and special trades construction. The Standard Industrial Classification (SIC) codes are SIC 15 and 17. SIC 15 includes general contractors and operative builders. These are employers who are primarily engaged in the construction of residential, farm, industrial, commercial, and other buildings. SIC 17 is special trade contractors construction. These special trade contractors are generally the "subs" who do work for the general contractors found in SIC 15. Not all employment in SIC 15 and 17 is residential. Since it is not possible to break out that part of construction employment which is strictly residential, the total figures for these two construction sectors are used.

It is useful to see how Oregon's construction boom has affected various parts of the state. Figure 1 shows Oregon's counties divided into five areas. Metro is the metropolitan Portland counties which make up the Portland PMSA. They consist of Clackamas, Multnomah, Washington, and Yamhill counties. The Valley consists of those counties within the Willamette Valley to the south of the Metro counties. The Coast includes those counties which are on the coast plus Columbia County which has many of the characteristics of the coastal counties. Southwest consists of Jackson, Josephine, and Douglas counties; and Eastern consists of all those counties which are on the east side of the Cascade Mountains.

Figure 1



Figures 2 and 3 show the geographical distribution of building activity for both single-family and multi-family units during the 1987-89 period. Although there were dramatic increases in building, particularly between 1988 and 1989, the proportion of single-family and multi-family units remained relatively constant. For both single-family and multi-family sectors, a substantial proportion of the development occurred in the Portland Metro area. The share of activity occurring in the Metro area did not change significantly over this three-year period for either single-family or multi-family activity. During the boom several areas did not share as completely in this activity. In particular, the Eastern and Southwest areas saw a relative reduction in multi-family development.

As development increased during this period, construction costs also went up. Inputs to production became tighter and their prices increased. Figures 4 and 5 show construction costs by geographic area. Particularly striking are the high per unit construction costs for eastern Oregon, normally thought of as a less expensive place to live. The large proportion of second home development and time-share housing plus the distance from labor markets keeps construction costs high east of the Cascade Mountains. It is also interesting to note that construction costs per unit dropped for multi-family development where there was a considerable amount of multi-family activity, such as in the Portland Metro area in 1989, suggesting economies of scale in this industry.

To see how this relates to construction employment in the five geographical areas construction costs per unit were paired with average pay per employee. Not surprisingly, payroll per employee increased as labor demands went up. Between 1987 and 1988, payroll per employee in SIC 15 rose from $19,416 to $20,652, a 6.3% increase. In 1989, average pay jumped to $23,100, an 11% increase. For SIC 17, average pay increased from $20,652 in 1987 to $22,037 in 1988, a 6% jump.

Figure 2

New Single-Family Units
By Area and Year

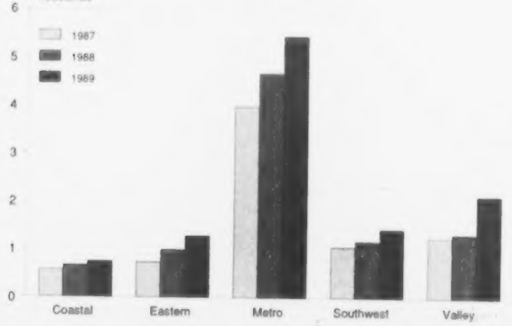
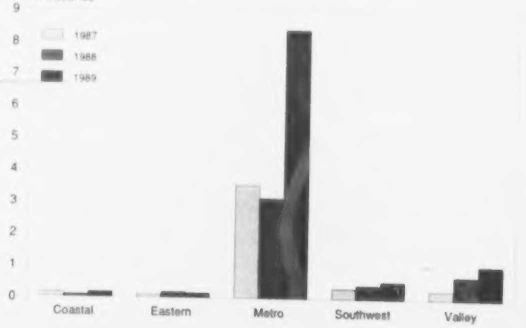


Figure 3

New Multiple-Family Units
By Area and Year



In 1989, workers in the special trades averaged $23,012, a 4% rise. The rates of growth in average pay were not nearly as great as the percentage increases in employment, which averaged well above 10%. Table 1 shows the average employment and pay by area and year for the two construction sectors.

This year has continued to see strong building activity, particularly in single-family construction. Table 2 compares the units authorized by permits for the first six months of 1989 with the first half of 1990. In the single-family sector, construction is up in all five areas. In 1989, there was an extraordinary amount of multi-family construction activity in the Portland Metro area. There are signs that rental vacancy rates are rising in Portland. In response, developers are now moving down the Willamette Valley and to Southwest Oregon, particularly Jackson County.

Statewide employment data for the first half of 1990 indicate that both general construction and special trades construction continue to run well ahead of last year's levels. The growth rate, however, has slowed sharply in general construction (10% higher in first half 1990 versus 26% higher in first half 1989). Employment in special trades construction from January through June continues to run about 14% above the same period a year ago.

Prospects are good for single-family building activity to finish 1990 stronger than last year. Multi-family construction is expected to finish below last year's level, however, because of the slowdown in the Portland area. Employment in multi-family construction will also be more concentrated in the Valley and Southwest parts of the state ☐

Table 1

ANNUAL AVERAGE EMPLOYMENT AND PAY IN GENERAL AND SPECIAL TRADES CONSTRUCTION

General Construction (SIC 15)

	Coastal	Eastern	Metro	Southwest	Valley	Oregon
1987						
Empl.	604	721	4,571	682	1,823	8,401
Pay	$14,517	$15,209	$21,503	$16,814	$18,445	$19,416
1988						
Empl.	658	859	5,304	767	1,948	9,536
Pay	$14,516	$16,136	$23,251	$17,694	$18,805	$20,652
1989						
Empl.	691	1,111	6,361	820	2,449	11,432
Pay	$16,055	$17,957	$26,644	$18,574	$19,731	$23,100

Special Trades Construction (SIC 17)

	Coastal	Eastern	Metro	Southwest	Valley	Oregon
1987						
Empl.	722	1,352	12,162	1,423	4,524	20,183
Pay	$17,512	$16,327	$22,245	$16,916	$19,337	$20,652
1988						
Empl.	872	1,671	14,495	1,610	5,160	23,808
Pay	$19,167	$18,300	$23,851	$18,087	$19,868	$22,037
1989						
Empl.	1,056	1,865	16,462	1,785	5,759	26,927
Pay	$19,731	$19,085	$24,884	$18,171	$21,036	$23,012

OREGON RESIDENTIAL BUILDING PERMIT ACTIVITY
First Half 1989 and First Half 1990

	Coastal	Eastern	Metro	Southwest	Valley	Oregon
			Single-Family Units:			
1989	413	640	2,749	697	1,098	5,597
1990	556	724	2,924	913	1,106	6,223
% Change	34.6%	13.1%	6.4%	31.0%	0.7%	11.2%
			Multi-Family Units:			
1989	89	91	5,160	186	356	5,882
1990	68	71	3,461	315	1,424	5,339
% Change	-23.6%	-22.0%	-32.9%	69.4%	300.0%	-9.2%

Figure 4

Single-Family Construction Cost Per Unit
By Year and Region

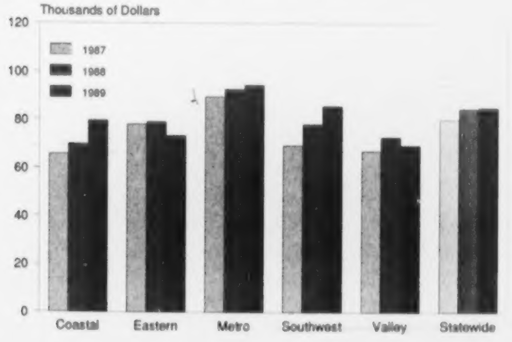
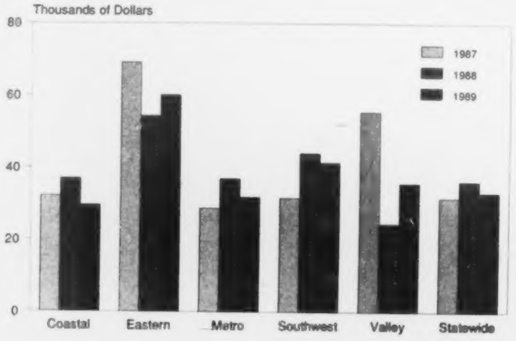


Figure 5

Multi-Family Construction Cost Per Unit
By Year and Region



EMPLOYERS' CORNER - MAKING A DIFFERENCE

Antoinette Cox

(Editor's note: Antoinette Cox is the Executive Assistant to the Chairman of Cutler and Company Inc., a Medford firm which manages investment portfolios for institutions such as public pension funds and larger pension accounts for private employers. She is also currently serving as the Vice Chair of the State Job Service Employer Committee.)

There is a topic about which I am very passionate. . .and that is the topic of education. Having been in human resource management for 15 years, and thinking back upon my own education, I've noticed definite patterns evolving. I remember my own frustrations as a youngster starving for education, but yet often deprived because the classroom teacher spent a great deal of the time teaching to the lowest level students or spending time disciplining kids who didn't care. As I became an adult and because of circumstances had to work full-time while working on my college degree, I experienced other frustrations about the system. In attempting to acquire college credit for past work experience, some professors would not give me the credit because "I didn't sit in the classroom along with the other students to learn the subject." It didn't matter that I had not only learned a subject, but utilized it. Another time I was a guest speaker in a high school talking with several classrooms about job preparedness. I made the point that there are so many ways to learn new things and gave several examples. Much to my surprise after the first class, the teacher approached me and told me I was not to tell her students that there were other ways to learn other than in a classroom. I was certainly surprised by the narrow-mindedness. Perhaps it's not a wonder that when I worked with young full-time college students on my own college projects some did not understand resourcefulness.

Most of us have had similar experiences at one time or another. However, there are those educators and others who we remember influenced us in a very positive way. I remember Miss Tanaka, my second grade teacher who taught me some tough lessons about character. I also remember my high school French teacher who inspired me to greater and greater heights of achievement. There was another time when I worked with a young woman who was a high school dropout--considered a troublemaker. Not recognizing her ten years later she came up to me and introduced herself and told me the greatest thing someone could hear--that I had made a difference in her life and had helped her believe in herself. She was now a paralegal.

How can we in the business community influence the education, skill levels, and motivation of our young people? There are several ways to get involved at the grassroots level. Volunteer your time in the classroom assisting teachers or give a talk to students about aspects of the business world. Sit on a curriculum development committee. . .offer suggestions about what is REALLY needed in the work place. Bring young people into your organization to work after school and spend time as a mentor. Coach a sports team. . .the lessons of life are just as important as the lessons in a classroom. Support parenting classes. If we are concerned about the lack of basic skills and work ethic as we enter the 21st century, it is up to each and everyone of us to make the difference. ☐

NEW PUBLICATION

Oregon Wage Information - 1990 is designed to assist jobseekers, employers, career planners, and industrial developers seeking to attract new industry to the state. Wage data is one of the most sought after forms of labor market information. Drawing upon a wide variety of wage data sources, **Oregon Wage Information** contains wage rates for over 350 common occupations. More than 70% of all Oregonians working for wages or salaries in the private and public sectors work in these occupations.

A special supplement is included to help gauge the impact of the minimum wage. First quarter 1990 wages offered are used in this supplement.

Additionally, for comparative purposes, current and historical industry wage data are provided.

To receive a copy of **Oregon Wage Information**, contact:

Employment Division-R&S
Attn: Susan Bell
875 Union Street NE
Salem, OR 97311
(503) 378-6400 ☐

LMI LABOR MARKET INFORMATION

STATE OF OREGON

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OREGON LABOR TRENDS

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INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)		
Aug.	1990	5.6
July	1990	5.8
Aug.	1989	5.6
United States (Seas. Adj.)		
Aug.	1990	5.6
July	1990	5.5
Aug.	1989	5.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)		
Aug.	1990	133.2
July	1990	133.0
June	1990	132.7
May	1990	133.5
Apr.	1990	133.2

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
July	1990	$11.14
June	1990	$11.03
July	1989	$10.91

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
July	1990	38.8
June	1990	39.2
July	1989	38.5

CONSUMER PRICE INDEX (CPI)
1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
Jan.-June 1990	124.9
Yearly change	4.7%
Annual Average 1989	120.4
Yearly change	5.0%
United States	
Aug. 1990	131.6
Yearly change	5.6%
Annual Average 1989	124.0
Yearly change	4.8%

Portland Hotline 326-4132

FLASHING YELLOW LIGHTS, OR ARE THEY RED?

Dwayne Stevenson

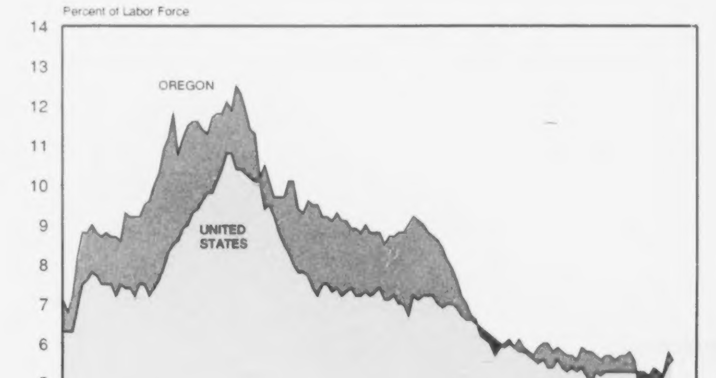
Oregon's seasonally adjusted wage and salary employment index appears to have settled down over the past six months. It has moved in a narrow (eight-tenths of a point) range, and August's preliminary index (133.2) is identical to April's. The index's lack of direction does not give encouraging signs in spite of the unemployment rate's apparent decline in August. "Apparent decline" is used since the monthly rate has undergone substantial revisions at the end of the year in the benchmarking process (see April **Trends**). Additional economic indications for concern come from a closer look at the industrial employment numbers.

August's total seasonally adjusted job increase was 2,100. In retail trade, about half of the seasonally adjusted gain in employment was attributable to double counting of jobs in grocery stores. Both replacement workers and workers returning after a labor dispute were included in the final employment count since both worked during the mid-month survey week.

The job increase in services was also tenuous in nature. Temporary employment services was virtually carrying the ball, accounting for all of the gain. However, due to the "temporary" constraint on these workers' employment longevity, they may drop the ball as quickly as they picked it up from the May-July fumble of 1,600 jobs.

Part of the recent uptick in the wage and salary employment index has been attributable to the census activity. As of August, fewer than 300 workers of the over 4,000 peak in May remained. Declining census employment accounted for much of the 2,100 seasonally adjusted employment drop in government in August.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



Civilian Labor Force Only

OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	AUG.1/ 1990	JUL.2/ 1990	AUG. 1989	CHANGE FROM JUL. 1990	CHANGE FROM AUG. 1989
TOTAL 5/	1,254,800	1,244,600	1,218,900	10,200	35,900
WAGE & SALARY EMPLOYMENT INDEX 6/	133.2	133.0	129.4	XXX	XXX
GOODS PRODUCING INDUSTRIES 7/	285,000	280,100	280,900	4,900	4,100
SERVICE PRODUCING INDUSTRIES 8/	969,800	964,500	938,000	5,300	31,800
TOTAL MANUFACTURING	229,800	226,300	229,700	3,500	100
DURABLE GOODS	161,200	161,100	163,100	100	- 1,900
LUMBER & WOOD PRODUCTS	65,500	66,000	69,600	- 500	- 4,100
LOGGING	12,000	11,700	13,000	300	- 1,000
SAWMILLS	21,300	21,500	23,600	- 200	- 2,300
VENEER & PLYWOOD	14,400	15,000	16,000	- 600	- 1,600
MILLWORK & STRUCTURAL WOOD	11,300	11,300	10,700	0	600
MOBILE HOMES	2,100	2,100	1,900	0	200
OTHER WOOD PRODUCTS	4,400	4,400	4,400	0	0
FURNITURE AND FIXTURES	3,100	3,000	3,100	100	0
STONE, CLAY, GLASS & CONCRETE	4,600	4,500	4,400	100	200
PRIMARY METALS	11,900	11,800	11,300	100	600
BLAST FURNACES, IRON & STEEL 9/	6,100	6,100	5,900	0	200
NONFERROUS METALS 9/	5,800	5,700	5,400	100	400
FABRICATED METALS	12,000	12,100	12,300	- 100	- 300
FABRICATED STRUCTURAL METALS	5,200	5,300	5,200	- 100	0
OTHER FABRICATED METALS	6,800	6,800	7,100	0	- 300
MACHINERY	17,700	18,000	18,000	- 300	- 300
OFFICE & COMPUTING MACHINES	4,700	4,800	4,800	- 100	- 100
OTHER MACHINERY	13,000	13,200	13,200	- 200	- 200
ELECTRONIC & OTHER ELECTRIC EQUIPMENT 9/	17,200	17,200	16,000	0	1,200
TRANSPORTATION EQUIPMENT	14,000	13,100	11,900	900	2,100
INSTRUMENTS & RELATED PRODUCTS 9/	11,300	11,400	12,500	- 100	- 1,200
MISCELLANEOUS MANUFACTURING	3,900	4,000	4,000	- 100	- 100
NONDURABLE GOODS	68,600	65,200	66,600	3,400	2,000
FOOD & KINDRED PRODUCTS	32,600	29,400	30,800	3,200	1,800
CANNING & PRESERVING	21,300	18,200	19,800	3,100	1,500
OTHER FOOD PRODUCTS	11,300	11,200	11,000	100	300
TEXTILE MILL PRODUCTS	1,700	1,700	1,800	0	- 100
APPAREL	2,600	2,500	2,700	100	- 100
PAPER & ALLIED PRODUCTS	9,400	9,400	9,300	0	100
PRINTING & PUBLISHING	14,000	14,000	13,700	0	300
CHEMICALS & ALLIED PRODUCTS	2,400	2,400	2,300	0	100
PETROLEUM & ASPHALT PRODUCTS	500	500	500	0	0
RUBBER & PLASTIC PRODUCTS	4,900	4,900	5,000	0	- 100
LEATHER PRODUCTS	500	400	500	100	0
TOTAL NONMANUFACTURING	1,025,000	1,018,300	989,200	6,700	35,800
MINING & QUARRYING	1,500	1,500	1,600	0	- 100
CONSTRUCTION	53,700	52,300	49,600	1,400	4,100
BUILDING CONSTRUCTION	13,000	12,600	12,300	400	700
HEAVY CONSTRUCTION	7,400	6,800	7,200	600	200
SPECIAL TRADE CONTRACTORS	33,300	32,900	30,100	400	3,200
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	64,200	63,700	63,200	500	1,000
TRANSPORTATION	42,700	42,400	41,800	300	900
RAILROAD	3,800	3,800	3,900	0	- 100
TRUCKING & WAREHOUSING	24,900	24,800	24,500	100	400
OTHER TRANSPORTATION	14,000	13,800	13,400	200	600
COMMUNICATIONS	12,300	12,100	12,600	200	- 300
UTILITIES	9,200	9,200	8,800	0	400
TRADE	330,600	325,100	316,200	5,500	14,400
WHOLESALE TRADE	84,400	82,000	80,000	2,400	4,400
DURABLE GOODS	48,700	48,400	46,600	300	2,100
MACHINERY, EQUIPMENT, & SUPPLIES	11,400	11,400	11,000	0	400
OTHER DURABLE GOODS	37,300	37,000	35,600	300	1,700
NONDURABLE GOODS	35,700	33,600	33,400	2,100	2,300
GROCERIES & RELATED PRODUCTS	14,100	12,200	13,100	1,900	1,000
OTHER NONDURABLE GOODS	21,600	21,400	20,300	200	1,300
RETAIL TRADE	246,200	243,100	236,200	3,100	10,000
BUILDING MATERIALS & GARDEN SUPPLIES	9,400	9,500	8,700	- 100	700
GENERAL MERCHANDISE	30,800	30,500	29,000	300	1,800
FOOD STORES	44,500	42,700	40,700	1,800	3,800
AUTO DEALERS & SERVICE STATIONS	29,700	29,400	29,300	300	400
APPAREL & ACCESSORY STORES	10,400	10,600	10,200	- 200	200
FURNITURE & HOME FURNISHINGS	9,700	9,500	9,100	200	600
EATING & DRINKING PLACES	88,600	88,200	85,500	400	3,100
MISCELLANEOUS RETAIL	23,100	22,700	23,700	400	- 600
FINANCE, INSURANCE, & REAL ESTATE	78,000	78,100	76,800	- 100	1,200
FINANCE	28,300	28,300	28,200	0	100
INSURANCE	22,400	22,400	22,400	0	0
REAL ESTATE	27,300	27,400	26,200	- 100	1,100
SERVICES	294,000	292,000	284,100	2,000	9,900
HOTELS & OTHER LODGING PLACES	21,400	21,300	20,200	100	1,200
PERSONAL SERVICES	11,000	10,900	10,800	100	200
BUSINESS SERVICES	49,100	47,600	48,000	1,500	1,100
AUTOMOTIVE & MISC. REPAIR SERVICES	15,800	15,500	15,700	300	100
MOTION PICTURES & AMUSEMENTS	14,500	14,500	14,500	0	0
HEALTH SERVICES	87,400	87,500	83,300	- 100	4,100
LEGAL SERVICES	9,200	9,100	8,700	100	500
PRIVATE EDUCATION	11,700	11,600	11,600	100	100
SOCIAL SERVICES	24,700	24,900	24,100	- 200	600
ENGINEERING & MANAGEMENT SERVICES	20,200	20,200	19,000	0	1,200
OTHER SERVICES & NEC	29,000	28,900	28,200	100	800
GOVERNMENT	203,000	205,600	197,700	- 2,600	5,300
FEDERAL GOVERNMENT	34,100	35,500	33,500	- 1,400	600
STATE GOVERNMENT	58,300	58,100	56,600	200	1,700
EDUCATION	20,800	21,300	20,100	- 500	700
OTHER STATE	37,500	36,800	36,500	700	1,000
LOCAL GOVERNMENT	110,600	112,000	107,600	- 1,400	3,000
EDUCATION	59,900	61,800	58,400	- 1,900	1,500
OTHER LOCAL	50,700	50,200	49,200	500	1,500
LABOR-MANAGEMENT DISPUTES 10/	400	500	300	- 100	100

OREGON RESIDENT LABOR FORCE
(BY PLACE OF RESIDENCE)

	AUG.1/ 1990	JUL.2/ 1990	AUG. 1989	CHANGE FROM JUL. 1990	CHANGE FROM AUG. 1989
CIVILIAN LABOR FORCE 3/	1,530,600	1,511,200	1,487,500	19,400	43,100
UNEMPLOYMENT	79,800	86,700	77,700	- 6,900	2,100
PERCENT OF LABOR FORCE	5.2	5.7	5.2	XXX	XXX
SEASONALLY ADJUSTED PERCENT	5.6	5.8	5.6	XXX	XXX
TOTAL EMPLOYMENT 4/	1,450,800	1,424,500	1,409,800	20,300	41,000

1/ Preliminary

2/ Revised

3/ Includes employed and unemployed individuals 16 years and older, adjusted for multiple job-holding and commuting.

4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.

5/ Includes full- and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self employed, private household workers and armed forces excluded. Note: These data are estimated in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration. All data are based on the 1987 Standard Industrial Classification (SIC) codes.

6/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of 0.8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

7/ Goods producing industries include manufacturing, mining, and construction.

8/ Service producing industries include transportation, communications, and utilities; trade; finance, insurance, and real estate; services; and government.

9/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.

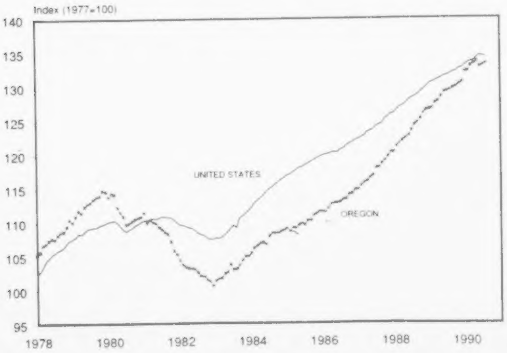
10/ Employees involved in labor disputes are not included in wage and salary employment counts.

The economic mainstay of manufacturing also lost jobs on a seasonally adjusted basis (-1,400). A third of this decrease occurred in lumber and wood products where market demand is quite weak. An industry newsletter has recently observed that the industry needs to reduce production. But each mill is waiting for other producers to make the cut in production and jobs. In addition, the demand for lumber continues to decrease. U.S. housing starts fell to a seasonally adjusted 1.13 million in August, a level not seen since August 1982. (Pundits have ruled that a recession is already occurring nationally in construction.)

Elsewhere in manufacturing, the agricultural season remained out of sync with historical seasonality keeping food processing employment trends a step ahead. Therefore, the jobs that were expected to be added in August had already been filled a month or so prior. This resulted in a seasonally adjusted decline of over 1,000 jobs in this sector in August.

With Oregon's job trend showing little in the way of strong, substantial upticks, national and international events and indicators show even more cause for concern. Indicators are both up and down. On the "bright" side, those that are up include unemployment, consumer prices, producer prices, consumer debt, and the trade deficit. The "darker" downside has retail sales, consumer confidence, industrial output, the aforementioned housing starts, real earnings, and employment. Even though this is certainly a pessimist's potpourri, a closer look at these numbers gives reason to expect some resiliency in the economy.

NONFARM WAGE & SALARY EMPLOYMENT INDEXES
(SEASONALLY ADJUSTED)



The Iraqi invasion of Kuwait and resultant military buildup and oil price shock have impacted Oregon, though in different measure than nationally. A few hundred workers were briefly employed in preparing several roll-on, roll-off navy freighters for duty from berths in Portland. An estimated 100 workers from Oregon have also been called to active duty.

The military buildup does not appear to have had a substantial impact in Oregon. However, higher oil prices have made a statement: curtail consumption of energy or spend more money on it. In the producer price series rising energy costs were reflected at the crude goods, intermediate processed goods, and finished goods levels.

Crude petroleum prices jumped 62.5 percent, the largest increase ever, while natural gas prices dropped 9.4 percent, the steepest drop in 14 years. Overall, crude energy prices were up 25.5 percent. Crude goods excluding foods and energy were up a much smaller 1.8 percent, and crude foodstuff prices declined by 0.9 percent.

Intermediate goods prices excluding food and energy increased only 0.3 percent, the same as in March. Prices for diesel fuel and kerosene soared over 30 percent, while the overall intermediate energy price index increased 9.6 percent.

In finished energy goods, prices for gasoline were up 16.9 percent after falling 5.3 percent in July. Home heating oil also rose, but by a more substantial 38.8 percent, again a record increase. Aggregate finished energy prices rose by 9.5 percent. Total finished goods' price rise was also much smaller at 1.3 percent (January was 1.9 percent).

U.S. consumer price increases in energy were more moderate: gasoline and fuel oil prices rose 7.6 and 15.4 percent respectively. When energy is excluded, inflation as measured by the CPI was less in August than July. This indicates that fear of continued high inflation, after the oil price shock works its way through, may be unwarranted.

Inflation's impact on U.S. workers' earnings, however, has been negative. Real (inflation-adjusted) weekly earnings decreased 0.6 percent between July and August, an annual rate of decline of 7 percent. In the 12 months ending in August real average weekly earnings were down 1.8 percent. This decline in earnings suggests that retailers will be getting fewer sales. In fact, retail sales nationally already are declining, losing 0.6 percent in August. This, despite a huge 6.4 percent jump in gasoline sales.

Another apparent result of declining real pay is the July rise in consumer debt. Consumers are evidently slower in making debt payments, pushing the expansion of their debt to an annual growth rate of 7.4 percent. Compounding the demands on available consumer dollars, national unemployment hit a two-year high of 5.6 percent in August. This is reflected in the prevalent decline of employment nationwide. Over the previous year, employment has fallen in six of the nation's nine regions, covering 33 states.

It was no surprise then to see consumer confidence indexes plunge dramatically in August. Similar plunges two and a half years ago, though, were followed by two years of solid economic growth. Capricious consumers have proven amazingly resilient at times.

Speaking of bouncing back, July's trade deficit was up nearly $4 billion from June's $5.34 billion. The 6.4 percent over the month decline in exports may have been a precursor to August's drop in industrial output of 0.2 percent. Exports, though, will likely rebound with the continued fall of the dollar. Even now, with European buyers offering $4 to $10 more per barrel of gasoline than the U.S. market, refiners are estimated to have exported to Europe some 5 million barrels during August and September.

While recent data from the "dismal science" (i.e., economics) is certainly troubling, some glimmers of hope were seen in the finer analysis. These data may shed a different light after they undergo revisions in the next month or so. It mainly is a matter of whether we have extended our economy too far to take the oil price shock without falling down. ☐

OREGON'S STRATEGIC PLAN -- AN UPDATE

(Editor's note: Duncan Wyse is the Executive Director of the Oregon Progress Board, Economic Development Department.)

Oregon Shines, a long-range economic strategy for our state, was completed one year ago last May. We reported on the plan in the April and July 1989 issues of **Oregon Labor Trends**, and now want to give an update.

Crafted with the help of over 200 Oregon leaders, the plan identified three areas where Oregon can excel over the next two decades in a way that fosters diverse, well-paying industry. The three areas are:

- A Superior Work Force - Measurably the best in America by the year 2000 and equal to any in the world by the year 2010.
- An Exceptional Quality of Life - Cities built on a human scale and access to diverse outdoor activities.
- An International Frame of Mind - Connections with the world starting early in school, and extending throughout our cultural and commercial life.

In addition, the plan suggested that we must pay attention to three other areas important for fostering economic growth: build partnerships among sectors, contain the costs of doing business in Oregon, and rebuild public facilities and services.

The blueprint in *Oregon Shines* connects economic development with other important public policy issues. The plan found that issues that matter for our lives outside work - education, quality of life, and public safety - also are the central issues for the future of our economy. And it argues that we can address many of these challenges by expanding our economy and devoting a portion of the income for schools, public facilities, and other public services.

Oregon Shines contained over 200 recommended actions for a variety of state agencies and for other sectors as well. Many organizations have responded. For example:

- Both the Boards of Education and Higher Education have reviewed *Oregon Shines* and responded to its suggested initiatives.
- The Governor's Portland Metropolitan Area Growth Task Force is addressing the urban growth management issues raised in the plan.
- The Economic Development Department has created the Partnerships Division to carry on the industry, community, and work force strategies suggested in the document.

Oregon Shines has a good track record on implementation. Yet a central message of the report was that no set of action recommendations - no one plan - no matter how well executed would achieve the future we want. To build our future we must draw a variety of institutions together towards a common purpose, and sustain the effort not over years, but decades, and beyond the term of most legislators, and certainly beyond the term of any single governor.

So, the *Oregon Shines* proposed, and the Legislature adopted, a new concept. The Legislature created The Oregon Progress Board with one sole mission: keep Oregon focused on the future. And it asked the Board to do what no state has ever done: propose measurable goals for Oregon to keep us on track towards the future we want. Goals to focus policy and programs toward key priorities. Goals which hold us accountable for results.

The Oregon Progress Board responded with a draft of *Oregon Benchmarks* which is undergoing public review in summer and early fall of 1990. The draft report proposes over 100 measurable goals for people, quality of life, and the economy which we can use to guide the state in the years ahead. The report scheduled for submission to the Legislature next January will become the first of many biennial reports on Oregon's progress. It will help Oregonians focus on what we must do now to achieve the future we want, and will be a tool for tracking whether our dreams are actually coming to fruition.

For a copy of the *Oregon Benchmarks* report please contact:

Progress Board
775 Summer Street
Street NE, Salem 97310 or
call (503) 373-1220. ☐

OREGON HOUSING AGENCY MAKES HOUSING FOR WORKERS A PRIORITY

Steve Westfall

Production of housing in areas where workers cannot find housing is a priority for the Oregon Housing Agency in reviewing applications for the 1990 Low-Income Housing Tax Credit Program. Under the revised program, which is currently fully committed and awaiting an extension by Congress, the Agency allocates federal tax credits to developers who in turn agree to provide affordable low-income rental housing for up to 30 years.

The Agency selects projects based on a qualified allocation plan which, among other things, places a priority on awarding tax credits to developers who propose housing projects where workers need it the most: in areas of employment growth with the lowest vacancy factors.

To qualify, low-income housing must serve households with incomes below 60% of family adjusted median income. Developers that serve lower levels receive further preferences. There is also a separate incentive to lower the rents below the maximum allowed under the program.

An employer can also benefit from the tax credit incentive by becoming a general or limited partner in a housing project. Employers nationwide have found that providing housing directly reduces costs of employee turnover. While eligible housing must be available to the general public, the Oregon Housing Agency will give additional weight to a project owned by a local employer under the investment limits contained in a request for proposals.

Interested people should contact Steven Westfall at the Oregon Housing Agency by calling (503) 373-1619. For more information, the Low-Income Housing Tax Credit Program is found in Section 42 of the *Internal Revenue Code*. ☐

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	July[2] 1990	June[3] 1990	July 1989	July[2] 1990	June[3] 1990	July 1989	July[2] 1990	June[3] 1990	July 1989
TOTAL MANUFACTURING[4]	$432.23	$432.38	$420.04	38.8	39.2	38.5	$11.14	$11.03	$10.91
Durable Goods	441.09	441.07	430.23	39.0	39.7	38.9	11.31	11.11	11.06
Lumber & Wood Products	426.01	443.41	422.23	37.8	40.2	37.8	11.27	11.03	11.17
Logging & Sawmills	451.61	476.00	450.49	37.2	40.0	37.2	12.14	11.90	12.11
Veneer & Plywood	409.22	416.30	412.40	37.0	39.2	37.8	11.06	10.62	10.91
Millwork & Structural	384.56	401.21	363.37	40.1	42.1	39.8	9.59	9.53	9.13
Mobile Homes	361.44	369.03	307.44	37.3	39.3	34.7	9.69	9.39	8.86
Other Wood Products	420.59	423.20	410.41	38.8	40.0	39.5	10.84	10.58	10.39
Furniture & Fixtures	355.31	368.89	347.87	34.8	37.0	35.9	10.21	9.97	9.69
Primary Metals	490.33	473.01	497.67	38.7	38.3	41.3	12.67	12.35	12.05
Fabricated Metals	404.39	408.06	407.55	37.9	38.9	39.8	10.67	10.49	10.24
Machinery (Ex Electrical)	451.98	448.84	441.86	40.5	40.4	39.7	11.16	11.11	11.13
Nondurable Goods	408.74	410.40	391.95	38.2	38.0	37.4	10.70	10.80	10.48
Food & Kindred Products	328.10	326.85	312.99	37.2	35.8	36.1	8.82	9.13	8.67
Canning & Preserving	278.88	269.62	255.39	35.8	34.0	34.7	7.79	7.93	7.36
Other Food Products	437.94	428.93	423.77	40.4	39.1	38.7	10.84	10.97	10.95
Textile Mill Products	278.96	268.48	236.57	36.9	38.3	33.7	7.56	7.01	7.02
Apparel	231.80	265.57	221.05	33.4	38.6	33.8	6.94	6.88	6.54
Paper & Allied Products	639.39	632.88	655.94	41.6	41.5	41.7	15.37	15.25	15.73
Printing & Publishing	495.73	474.75	430.52	37.9	37.5	36.3	13.08	12.66	11.86
Construction[4]	608.01	581.36	573.65	38.9	37.8	38.5	15.63	15.38	14.90
Communications & Utilities[5]	543.48	581.39	555.66	38.3	40.6	42.0	14.19	14.32	13.23
Trade[5]	336.42	329.47	330.58	35.6	35.2	35.7	9.45	9.36	9.26
Wholesale Trade	449.28	432.06	443.04	39.0	38.0	39.0	11.52	11.37	11.36
Retail Trade	278.17	277.16	273.82	33.8	33.8	34.1	8.23	8.20	8.03
Banking & Insurance[5]	379.66	361.66	362.78	39.1	37.4	38.8	9.71	9.67	9.35
State & Local Government	446.29	403.58	425.09						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1987 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

COUNTY PER CAPITA INCOME DATA RELEASED

Gary Sincick

Assessing the relative economic conditions of Oregon's counties is not made any easier by the dearth of economic and demographic data available at the county level. Many data series are available only at the national level, with far fewer being broken out by state, let alone county. While the decennial census provides nearly every conceivable type of data in painstaking detail down to the county and sometimes sub-county level, its "once a decade snapshot" is of limited usefulness for identifying medium-term trends. Consequently, data series that are produced at the county level on a regular basis (such as local area employment estimates) tend to be watched closely and eagerly awaited by those engaged in local area analysis and policy-making. Such is the case with the personal income data series produced by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA).

The BEA recently released its county level personal income estimates for 1988 and revised estimates for 1985 through 1987. Although 1989 data are available on a statewide basis, the county estimates lag by about one year.

> ***. . .per capita income gives no indication of how income is distributed, and should not be interpreted as being a "typical" person's income.***

Total personal income includes not only wages and salaries, but also proprietor income, transfer payments, dividends, interest, and rent. The BEA details the sources of wage and salary income by industry, and transfer payments are broken out by specific type. These data provide a good indication of the magnitude and composition of a county's economy. To make comparisons between counties, however, it is helpful to look at total personal income per capita. Per capita personal income is derived by dividing a region's total personal income by its total population. In this way, comparisons can readily be made between regions of vastly different sizes.

It should be noted that per capita income gives no indication of how income is distributed, and should not be interpreted as being a "typical" person's income. Remember, some portion of the total population (such as young children) will have no income whatsoever. Likewise, a relatively small number of business owners may be responsible for a large share of total personal income.

The accompanying table shows per capita personal income by county for 1987 and 1988. Between these two years, Oregon's statewide per capita income grew by 7.1%. After adjusting for inflation (using the U.S. CPI-U), this translates into a real rate of 2.8%. Only two counties, Curry and Morrow, failed to keep pace with inflation over this period.

Some may find it surprising that the two counties with the highest 1988 per capita incomes are not in the Portland Metro area. Sherman and Gilliam counties held the two top ranks by a considerable margin. While Sherman County had the highest per capita income level in the state ($23,111), Gilliam led the state in growth (25.8%). Lest this be dismissed as a fluke, it should be pointed out that Sherman County has held the number one spot since 1980!

These counties have two things in common that account for their high levels of per capita income. First, both have large shares of their total personal income accounted for by farm proprietors' income. While farm proprietors' income comprised only 1.9% of Oregon's total personal income, it made up 44.4% of Sherman County's. Second, both counties have very small populations, hence their total incomes are divided among fewer people.

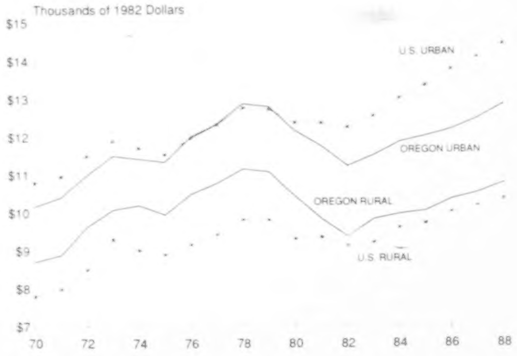
This combination of small population and reliance on farm income not only increases the level of per capita income, but causes it to be more volatile as well. This volatility is evidenced by adjacent Morrow County, which was the only county that experienced an actual decrease in per capita income in 1988. While Morrow County dropped by 1.7%, it still had the 8th highest level of per capita income in the state.

These sparsely populated counties along the Columbia River are not, however, representative of rural Oregon as a whole. At the other end of the state, for example, lies Josephine County, which had the lowest per capita income of all Oregon counties. Its 1988 level of $10,763 was a scant 72.3% of Oregon's average level.

Taken together, Oregon's rural counties had a 1988 per capita income of $13,171, while urban counties enjoyed the higher level of $15,696. For the purposes of this analysis, a county is considered to be urban if it comprises all or part of a metropolitan statistical area; these counties are Clackamas, Multnomah, Washington, Yamhill, Marion, Polk, Lane, and Jackson. The per capita income gap between urban and rural Oregon is sometimes pointed to as a serious cause for concern. It can be enlightening, however, to put this gap into a national perspective.

The accompanying graph shows inflation-adjusted per capita income for the rural and urban components of both Oregon and the United States. While Oregon's rural/urban income gap is evident, it is considerably narrower than the nation's. This suggests that Oregon is far better off in terms of geographic income distribution than is the U.S. as a whole. It may well be desirable for Oregon to reduce its disparity between rural and urban per capita incomes, but

REAL PER CAPITA INCOMES COMPARED



the impetus for such a policy should not be the idea that Oregon suffers by comparison to the rest of the country; it clearly does not, particularly with respect to rural per capita income comparisons.

Per capita income data are quite useful for a wide variety of analyses. To obtain historical series, detailed sources of personal income, or other information regarding these data, please contact:

Gary Sincick, Economist
Oregon Employment Division
Research & Statistics
875 Union St. N.E., Room 207
Salem, OR 97311
(503) 378-2829 ☐

PER CAPITA PERSONAL INCOME

	1988 Rank	1988	1987	Change 1987-88	% Change 1987-88	% of Oregon 1/
United States		16,490	15,472	1,018	6.6	110.8
Oregon		14,876	13,890	986	7.1	100.0
Portland PMSA 2/		16,837	15,643	1,194	7.6	113.2
Salem MSA 3/		13,720	12,875	845	6.6	92.2
Baker	29	12,878	11,666	1,212	10.4	86.6
Benton	7	15,453	14,243	1,210	8.5	103.9
Clackamas	5	16,981	15,921	1,060	6.7	114.2
Clatsop	10	14,751	13,604	1,147	8.4	99.2
Columbia	25	13,017	12,248	769	6.3	87.5
Coos	27	12,921	12,265	656	5.3	86.9
Crook	24	13,166	12,307	859	7.0	88.5
Curry	23	13,199	12,925	274	2.1	88.7
Deschutes	13	14,269	13,196	1,073	8.1	95.9
Douglas	30	12,821	12,161	660	5.4	86.2
Gilliam	2	21,846	17,372	4,474	25.8	146.9
Grant	21	13,317	11,993	1,324	11.0	89.5
Harney	15	14,214	12,758	1,456	11.4	95.5
Hood River	14	14,227	13,223	1,004	7.6	95.6
Jackson	22	13,249	12,534	715	5.7	89.1
Jefferson	20	13,331	12,183	1,148	9.4	89.6
Josephine	36	10,763	10,269	494	4.8	72.4
Klamath	32	12,547	11,859	688	5.8	84.3
Lake	12	14,312	12,741	1,571	12.3	96.2
Lane	16	13,973	13,085	888	6.8	93.9
Lincoln	18	13,703	12,989	714	5.5	92.1
Linn	34	12,272	11,500	772	6.7	82.5
Malheur	35	12,032	11,065	967	8.7	80.9
Marion	17	13,894	12,995	899	6.9	93.4
Morrow	8	14,799	15,055	-256	-1.7	99.5
Multnomah	6	16,827	15,455	1,372	8.9	113.1
Polk	26	12,924	12,326	598	4.9	86.9
Sherman	1	23,111	20,263	2,848	14.1	155.4
Tillamook	33	12,416	11,883	533	4.5	83.5
Umatilla	31	12,727	11,975	752	6.3	85.6
Union	28	12,884	12,283	601	4.9	86.6
Wallowa	11	14,372	12,667	1,705	13.5	96.6
Wasco	9	14,788	13,600	1,188	8.7	99.4
Washington	3	17,389	16,371	1,018	6.2	116.9
Wheeler	4	17,377	15,815	1,562	9.9	116.8
Yamhill	19	13,608	12,707	901	7.1	91.5

1/ 1988 county per capita income divided by 1988 Oregon per capita income
2/ Clackamas, Multnomah, Washington, and Yamhill counties
3/ Marion and Polk counties

Source: Bureau of Economic Analysis ☐

EMPLOYERS' CORNER

Karen Blythe

(Editor's note: Karen Blythe is the Personnel Manager at MDA, Inc., a high volume production machine shop in Klamath Falls.)

Many employers throughout the state will gather in The Dalles September 13th thru 15th for the Job Service Employer Committee (JSEC) annual conference. There are 22 local committees in the state and most will be sending representatives to the conference.

The primary function of JSEC is to serve as advisors to the Employment Division. In that capacity the committees work to insure effective, efficient, and appropriate service to unemployment insurance claimants, people seeking employment, as well as employers.

Many employers are now using the Employment Division exclusively to meet their hiring needs. Others are using the services to augment their recruitment methods. Employers are reporting that the applicants have been well-screened and are fitting their specified job requirements. They have also noted that by using the Employment Division to support their hiring practices they are becoming more efficient.

A secondary purpose of JSEC is to educate employers about issues that are pertinent to today's working world. Through seminars employers have learned about employment policies, developing employee handbooks, child care issues, drugs in the workplace, motivating employees, and the unemployment hearings process. JSEC has become a forum for employers to share ideas and solve problems.

The Job Service Employer Committee works to insure that the money employers pay in unemployment tax is spent wisely and that employers' needs are being met. At the annual conference in The Dalles, JSEC will be discussing the challenges facing employers in the 1990s. Employers who are JSEC members are encouraged to attend. Employers who are not members should contact their local Employment Division office for information on becoming a member of the Oregon Job Service Employer Committee. ☐

STATE OF OREGON UNEMPLOYMENT RATES BY AREA

August 1990

	Civilian Labor Force	Total Employment	Unemployment	Rate[1]
State of Oregon	1,530,600	1,450,800	79,800	5.2
Eugene MSA[2]	150,200	142,100	8,100	5.4
Medford MSA[3]	74,400	69,570	4,830	6.5
Portland PMSA[4]	696,400	666,500	29,900	4.3
Salem MSA[5]	146,600	139,900	6,700	4.6
Baker	7,240	6,730	510	7.0
Benton	37,130	35,860	1,270	3.4
Clatsop	19,740	18,580	1,160	5.9
Columbia	17,900	16,430	1,470	8.2
Coos	28,740	26,380	2,360	8.2
Crook	7,620	7,140	480	6.3
Curry	10,310	9,830	480	4.7
Deschutes	43,320	41,200	2,120	4.9
Douglas	48,830	44,990	3,840	7.9
Gilliam	1,100	1,070	30	2.7
Grant	4,870	4,410	460	9.4
Harney	4,540	4,190	350	7.7
Hood River	10,800	9,870	930	8.6
Jefferson	8,200	7,810	390	4.8
Josephine	27,350	25,240	2,110	7.7
Klamath	26,360	23,890	2,470	9.4
Lake	4,210	3,950	260	6.2
Lincoln	21,060	20,090	970	4.6
Linn	43,830	40,450	3,380	7.7
Malheur	16,640	15,980	660	4.0
Morrow	4,020	3,790	230	5.7
Sherman	790	750	40	5.1
Tillamook	9,650	9,170	480	5.0
Umatilla	31,660	29,740	1,920	6.1
Union	12,190	11,410	780	5.4
Wallowa	4,240	4,070	170	4.0
Wasco	10,100	9,130	970	9.6
Wheeler	660	600	60	9.1

[1] Not Seasonally Adjusted
[2] Lane County
[3] Jackson County
[4] Clackamas, Multnomah, Washington, Yamhill counties
[5] Marion and Polk counties

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